CSC

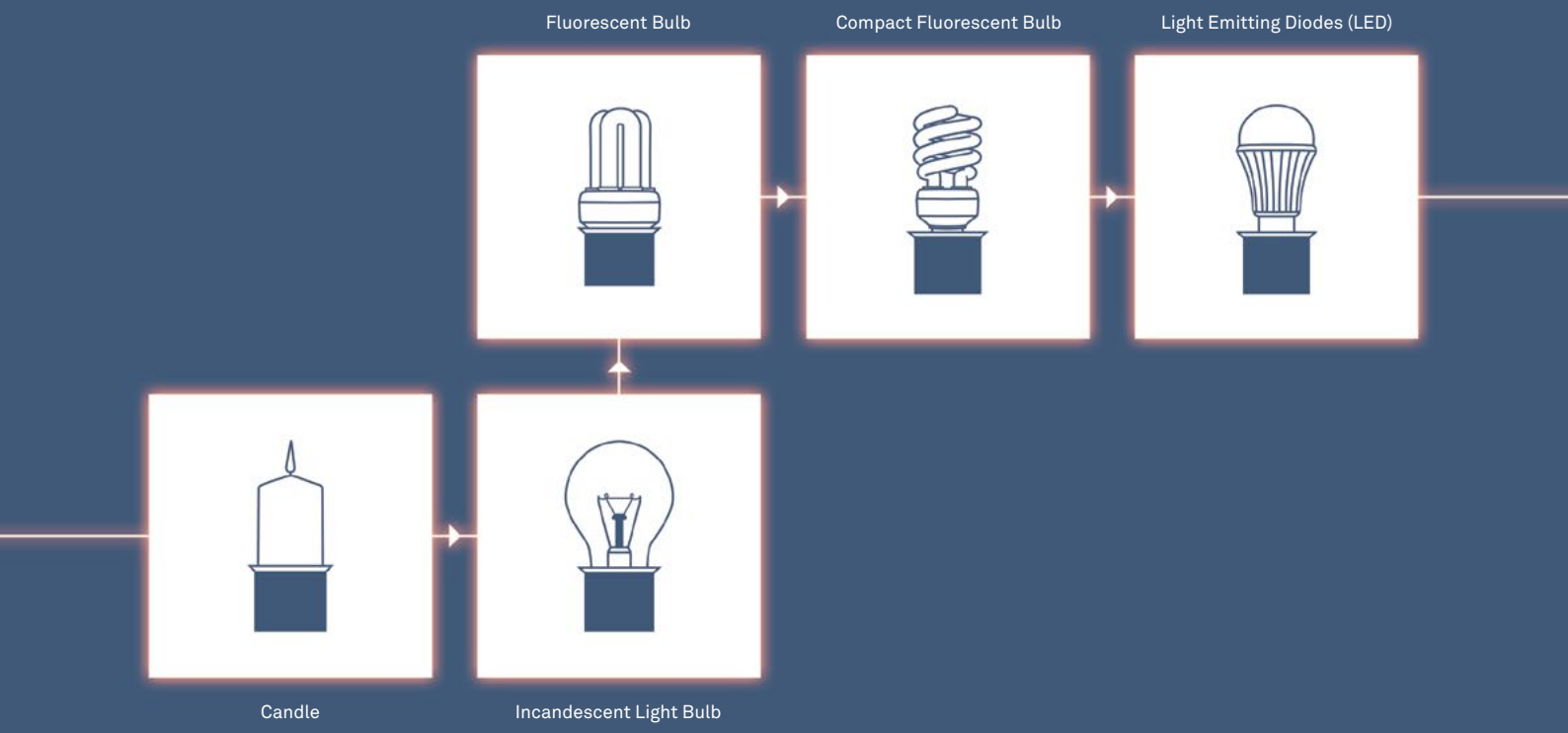
YOUR PARTNER IN GROUND ENGINEERING

STAYING RELEVANT

THROUGH INNOVATION

CSC HOLDINGS LIMITED ANNUAL REPORT 2017

Contents



Staying Relevant Through Innovation

The ubiquitous light bulb has been the symbol of man's ingenuity and ability to innovate. From the humble flame that could last mere minutes, we have progressed to the advanced LED which can last near perpetuity, ensuring that we never have to fear the dark.

Likewise at CSC, we believe in constant innovation to ensure our engineering solutions are relevant, sustainable, and long-termed. We constantly strive to enhance productivity and efficiency in all that we do.

CORPORATE PROFILE

CSC Holdings Limited At A Glance

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

The Group operates principally as foundation and geotechnical engineering specialists and offers a full range of capabilities in this field which includes the construction and installation of large diameter bored piles, diaphragm walls, ground improvement works, driven piles, jack-in piles, micro piles, soil investigation, pile testing and instrumentation services and automatic underground tunnel monitoring and engineering survey. With a total regional workforce of around 1,500 employees, the Group currently operates in Singapore, Malaysia, Thailand and Vietnam.

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

SCOPE OF SERVICES

Foundation and Geotechnical Engineering Works

- Large Diameter Bored Piles
- Contiguous Bored Pile / Secant Piles
- Barrette Piles
- Diaphragm Walls
- Jack-In-Piles
- Driven Piles (Steel piles, RC Piles and Spun piles)
- Micro Piles (Bored and Driven)
- Pile caps and basement
- 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

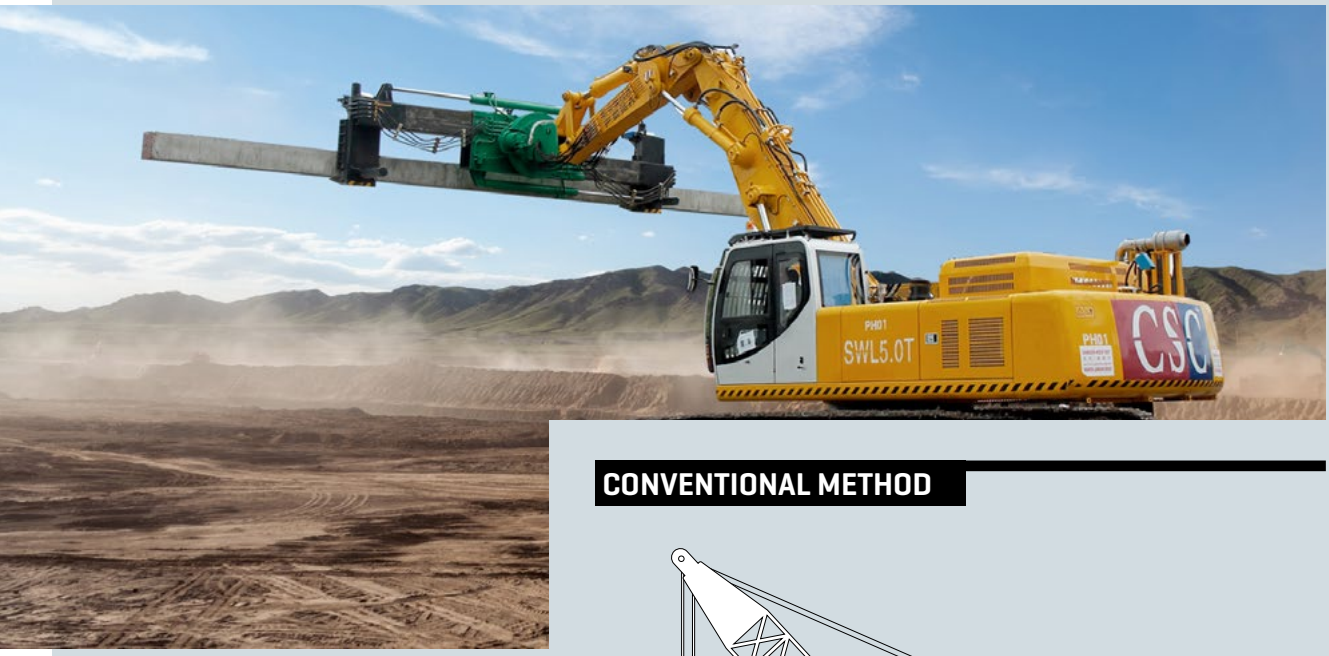
Soil Investigation, Instrumentation and Specialised Surveying Works

- 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

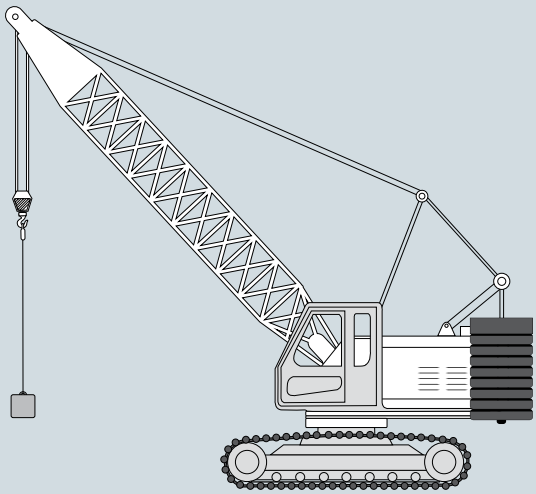
Sale and Lease of Foundation Engineering Equipments and Accessories

- 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

PRODUCTIVITY



CONVENTIONAL METHOD



Crawler cranes are primarily used to lift Reinforced Concrete (RC) Piles for loading, unloading and dispatching piles for piling. Using this method, RC Piles are lifted up, suspending it in mid-air, and free to yaw and sway, before being moved to the desired location and lowered to the ground.

Disadvantages

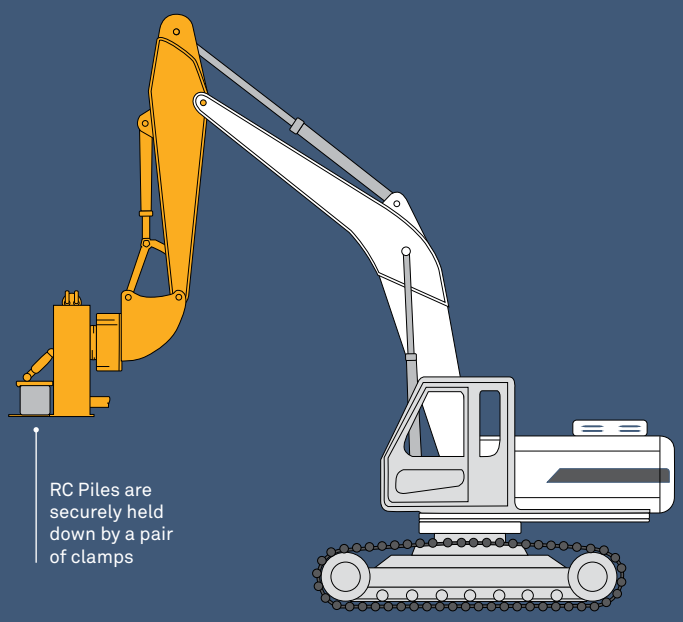
- Labor intensive (requires min. 7 men).
- Extensive communication needed.
- Lower productivity due to more manpower and processes required.
- Higher risk of accident.
- More coordination and higher concentration needed.

THROUGH INNOVATION

The New RC Pile Handler

RC Piles are lifted by placing a pair of forks underneath it, held down securely with a pair of clamps, eliminating risks of heavy RC Pile being jostled uncontrollably during handling. The forks are mounted onto a base machine where the pile is maneuvered securely to the desired location.

NEW METHOD



Advantages

- Less labour intensive (only requires 2 men).
- Minimizes communication error.
- Higher productivity (lesser required manpower faster operations.
- Lower risk of accident.
- Less skills required by banks man.

Productivity savings/gains

Man power savings

71%

Time Savings

33%

Piles per man-hours gains

425%

No. of piles per day gains

50%

Handling cost per pile savings

73%

CHAIRMAN'S STATEMENT

> **In the year ahead, it is thus imperative that we maintain a tight rein on our costs while ensuring that we remain price-competitive. We will continue to monitor the market and make the necessary adjustments to our operations and resources in tandem with prospective market demand.**

Dear Shareholders,

The Singapore construction industry was blighted by general economic slowdown in 2016, with total value of construction demand falling for a second consecutive year. Against this backdrop, CSC was forced to contend with myriad operating challenges, including intense competition and depressed margins. Amid these difficult times, the Group made a concerted effort to focus its resources on strengthening its long-term viability and sustainability.

While we managed to secure a fair number of projects in the financial year ended 31 March 2017 ("FY17"), the value of these projects was relatively lower compared to what we had previously enjoyed, in tandem with the overall decline in demand for construction services. This was further compounded by delays in the commencement of some projects on the part of the customer. The result was a 34.0% decline in Group revenue to $252.4 million for FY17, compared to $382.3 million in the previous financial year ("FY16").

Consequently, the dollars saved through the successful implementation of our ongoing cost-reduction efforts were quickly eroded by the decline in revenue, leading to the Group reporting a net loss for the year of $24.1 million in FY17, versus $5.5 million in the previous financial year.

YEAR IN REVIEW

While our team did not spare any effort in participating in tenders for contracts, the immense pressure on tender prices as industry players vied aggressively for a slice of a shrinking pie ensured that we exercised tremendous caution in our tender process. Thankfully, we were able to secure a relatively fair number of contracts in Singapore and the region, with approximately $340 million worth of projects bagged within FY17. However, the delay in the start of several major projects amid uncertainties in Singapore's economic climate, along with the corresponding delay in delivery of completed jobs, weighed down on our performance.

Cost-wise, the Group has, since the onset of the construction downturn in 2015, been bracing itself for tough times by proactively restructuring

its operations and trimming its cost base. Along with this, CSC has also been right-sizing its equipment fleet. This has the two-fold effect of strengthening our balance sheet while reducing costs associated with the operation of older and less efficient equipment.

Having announced plans in July 2015 to venture into property development and investment as a means of diversifying our revenue stream, we made initial headway in FY17 with the acquisition of a 40% stake in a joint venture in Malaysia together with two local partners there. The joint-venture company, Top3 Development Sdn Bhd, is currently in the advanced stages of acquiring two pieces of freehold land in Seremban, Negeri Sembilan, for commercial development. Separately, the Group has also acquired an investment stake in a residential-cum-commercial project currently being developed in Hertford, United Kingdom.

We received the Temporary Occupation Permit for our Tuas fabrication yard and workshop facility in December 2016 and have relocated our operations to this new site. We are looking forward to reaping further cost benefits as we bring our operations together under a common roof.

LOOKING AHEAD

Operating conditions in the current financial year are expected to remain arduous. Demand for construction services in Singapore is expected to be curbed by a dearth of activities in the private residential and commercial sectors. On this note, demand for construction activities is expected to hail from public-sector infrastructure projects such as the second phase of the Deep Tunnel Sewerage System, the North-South Corridor and Circle Line 6. Notwithstanding this, tender prices of these projects are expected to be squeezed in view of intense competition among construction service providers looking to fill their order books.

In the year ahead, it is thus imperative that we maintain a tight rein on our costs while ensuring that we remain price-competitive. We will continue to monitor the market and make the necessary adjustments to our operations and resources in tandem with prospective market demand.

ACKNOWLEDGEMENTS

The ability of the Group to sustain itself in the midst of operational and industry challenges relies on the teamwork and dedication demonstrated by each and every employee of CSC. For this, I am very heartened and grateful.

The counsel and advice given by my fellow Board members have been invaluable, and I appreciate the effort they have put in to steer the business on a path of sustainability.

To our shareholders and business partners, thank you for steadfastly supporting us throughout the peaks and troughs. We will continue to work hard to deliver value to all our stakeholders.

Chee Teck Kwong Patrick
Independent Non-Executive Chairman

主席致辞

> 今后一年里，我们迫切需要收紧开支，并同时确保我们在投标价格方面仍具足够竞争力。我们将继续密切关注市场情况，并根据市场需求灵活调整业务和资源。

尊敬的股东:

新加坡建筑业在2016年遭到经济放缓的打击下，导致建筑需求连续两年下滑。我们集团因此被迫应付激烈市场竞争及利润率下降等无数挑战。在这艰难时期，集团齐心协力集中资源以加强业务的长期稳定性和可持续性。

在截至2017年3月31日的财政年度（“2017财年”）里，尽管我们成功取得相当多的工程项目，但市场对建筑服务需求减少，合同价值比往年更低，一些项目也因顾客因素而延期动工。这些挑战直接冲击集团营业额，导致其下滑34.0%至2亿5240万元，前一财政年度（“2016财年”）为3亿8230万元。集团实施降低成本措施所带来的效益也因营业额下滑而缩小。集团因此在2017财年里报2540万元的净亏损，2016财年则为550万元净亏损。

年度回顾 ▸

业内其他业者为了在萎缩的建筑市场中占得一杯羹不惜压低投标价。我们团队在投标项目时不遗余力，并保持非常谨慎的态度参与投标。令人庆幸的是，我们在新加坡和区域市场中仍能取得相对数量的项目，在2017财年里囊获总价值约3亿400万元的合同。尽管如此，但因新加坡经济环境充满不确定性导致数项大工程延迟动工和竣工，从而打击集团业绩。

成本方面，自2015年建筑业开始低迷起，集团便积极重组业务并减低成本，为即将面对的艰难时期做好准备。与此同时，集团也适当调整建筑设备至适当规模，以加强集团的资产实力和减少因操作陈旧和低效率设备所带来的成本。

自集团在2015年7月宣布发展房地产开发和投资让收入来源多元化之后，我们在2017财年与两个马来西亚合作伙伴在当地成立合

资公司，并持有合资公司的40%股权。名为Top3 Development Sdn Bhd 的合资公司就收购森美兰州芙蓉市的两块永久地契地皮作为商业项目开发的协商已进入后期准备阶段。除此之外，集团也收购了一项位于英国赫德福德郡的商住两用项目的小部分股权以作投资。

我们于2016年12月获得了我们大士装配和维修厂房的临时入伙准证，并将相关业务迁入新厂房。我们期待聚集业务于一个屋檐下后所带来的成本效益。

前景展望 ▸

本财政年度的营运环境预计会依旧艰巨。新加坡国内市场对建筑服务的需求预料会因市场缺乏私宅和商业房地产项目而受遏制。本地建筑服务需求预计将主要来自公共基础设施项目，如深隧道阴沟系统第二阶段工程、南北交通廊道和地铁环线第六阶段。尽管如此，这些项目的投标价格预计会因业者们为了累积工程合约而展开激烈竞争的情况下备受挤压。

今后一年里，我们迫切需要收紧开支，并同时确保我们在投标价格方面仍具足够竞争力。我们将继续密切关注市场情况，并根据市场需求灵活调整业务和资源。

致谢 ▸

集团能在充满营运和行业挑战的环境中维持竞争力，依靠的就是集团每位职员的团队和奉献精神，这让我感到既欣慰又感激。

董事会成员所给予的指导和建议非常宝贵，我非常感谢他们为引导集团迈向可持续性发展所付出的努力。

我也感谢各位股东和生意伙伴们在我们面对市场高峰或动荡时，给予我们支持。我们将继续努力为大家创造价值。

徐泽光
独立非执行主席

EFFICIENCY

CONVENTIONAL METHOD

Daily site production records were manually captured in notepads, and then transferred into hardcopy pile installation forms for record keeping. Site supervisors/engineers were required to manually calculate and summarize daily work done. Daily site operation activities, manpower strength, machinery movements and delay occurrences were recorded into a hardcopy daily activities report.

Disadvantages

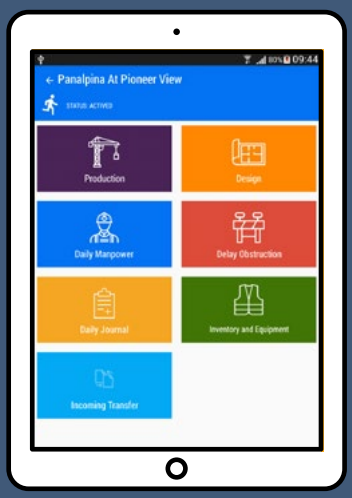
- Duplicate data needed to be inputed.
- Handwritten data could be difficult to read.
- Manual calculations were subject to human error.
- Hardcopy paper records could get lost during transportation.
- Compiling reports from manual reports were tedious and time-consuming.

THROUGH INNOVATION

The New Mobile Site Reporting

The MSR (Mobile Site Reporting) System is a real-time, on-site production reporting application. The front-end mobile app e-captures daily production records, site journals and inventory, and machinery movements in real-time. The back-end app manages the project details, design specifications, production and claims report, and inventory and machinery movement reports. This app enables timely and accurate transmission of operational information between project sites and head office, and enables management to make more informed decisions.

NEW METHOD



The MSR is compatible with any Android device

Advantages

- Online system can be accessed anywhere and anytime.
- One-time data entry ensures data integrity throughout the process.
- Auto-calculation eliminates human error.
- Electronic data is quick and easy to retrieve.
- Timely and accurate reports help management make quick and more informed decisions.

Efficiency savings/gains

Man power savings

25%

Site recording efficiency gains

150%

Non-production efficiency gains

800%

Overall man-day savings

55%

Productivity gains

33.4%

CORPORATE MILESTONES

1975

- Founding of Ching Soon Engineering Pte Ltd.

1981

- Incorporation of CS Construction & Geotechnic Pte Ltd.

1996

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

1997

- Incorporation of CSC Holdings Limited.

1998

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

1999

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

2000

Incorporation of Kolette Pte Ltd.

2002

Acquisition of THL Engineering Pte Ltd.

2004

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

2012

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

2013

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

2014

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

2015

- Incorporation of CS Industrial Properties Pte Ltd, a wholly owned subsidiary of the Company, as the investment holding company for the joint venture with New Hope Singapore Pte Ltd.
- Acquisition of 15% stake in ICE Far East Pte Ltd, making it an 85% owned subsidiary of THL Foundation Equipment Pte Ltd.
- Investment of 49% in NHCS Investment Pte Ltd in relation to the joint venture with New Hope Group 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.

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.

- 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.

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.
- Incorporation of THL Foundation Equipment (Myanmar) Company Limited, a 90% owned subsidiary of THL Foundation Equipment Pte Ltd.
- 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.

2017

- Sale of Siam CSC Engineering Company Limited.

OUR PROJECTS IN SINGAPORE

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

CURRENT YEAR

Infrastructure projects

- Tanjong Katong, Sungei Bedok, Bayshore MRT Stations and tunnels along Thomson East Coast Line, Beauty World and Hillview MRT Stations and tunnels along Downtown Line Stage 2
- Land Preparation works for airfield and related ancillary works for new aircraft runway at Changi East

Residential projects

- Stars of Kovan Condominium
- Public Housing Developments in Bidadari, Bukit Panjang, Tampines and Hougang
- Condominium developments at Orchard Boulevard

Industrial projects

- Amgen Singapore Manufacturing building extension
- Jurong Shipyard Tuas South Boulevard yard
- HDB Defu Industrial City

Commercial projects

- Woods Square
- Re-development of The American Club and Funan Mall

Institutional projects

- Educational institutional such as St. Andrew's Junior and Secondary Schools and Damai Primary School

PREVIOUS YEAR

Infrastructure projects

- Mass Rapid Transit (MRT) Stations of Sixth Avenue, King Albert Park, Tan Kah Kee, Springleaf and Lentor
- Changi Airport Terminal 4

Residential projects

- D' Leedon Condominium
- Reflections @ Keppel Bay
- Sky Habitat
- The Interlace Condominium
- Watertown at Punggol
- The Scotts Towers
- Public Residential Projects at Tampines, Punggol, Bukit Panjang and other townships in Singapore
- Sims Urban Oasis
- Northwave Executive Condominium at Woodlands

Industrial projects

- Renewable Energy Corporation (REC) Manufacturing Facility
- Exxon Mobil's Project in Jurong Island
- Singapore LNG Terminal
- Seagate Singapore Design Centre (the Shugart)
- Extension for Micron Technology
- Toll City's warehousing facility

Commercial projects

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

Institutional projects

- Educational Institutions such as Institute of Technical Education (ITE) Collegue Central and Headquarters, Singapore University of Technology and Design (SUTD), Australia International School, St Joseph Institution and New Overseas Family School
- Healthcare Institutions such as Farrer Park Mediplex, National Heart Centre and Raffles Hospital extension
- Singapore Sports Hub
- China Cultural Centre
- New State Courts Complex
- Tampines Town Hub
- Police Divisional HQ at Woodlands

OUR PRESENCE IN THE SOUTH EAST ASIA REGION

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

CURRENT YEAR

Residential projects

Malaysia

- Condominiums at Klang Valley such as East Parc @ Bandar Menjalara, The Starz @ KL South and Residensi Suasana @ Damansara Damai

Vietnam

- Palm Heights Condominium in Ho Chi Minh City

Commercial projects

Malaysia

- Mixed Development at Kuala Lumpur such as Cerrado – Southville City @ KL South and Fera Residence @ The Quartz
- IKEA Tebrau in Johor Bahru

PREVIOUS YEAR

Infrastructure projects

Malaysia

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

Vietnam

- Bac Hung Hai Bridge in Hanoi

Thailand

- Sections of Srirat Expressway, Bangkok

Residential projects

Malaysia

- Condominiums in Klang Valley such as Westside 2 Condominium, Parkland OUG Condominium, V-Residence, Fortune Perdana Kepong Condominium, Parkhill Residence, Novo Ampang Condominium, The Henge @ Kepong, GenKL @ Kuchai Lama and The Parque Residences @ Eco Santuary
- Condominiums in Johor such as Bora Residences @ Tropicana Danga Bay, Molek Regency Condominium and Horizon Hills
- I-Santorini Condo at Tanjung Tokong, Penang

Vietnam

- Riviera Point High Rise Condominium in 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

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

PROPERTIES OF THE GROUP

01


02


03


04

As At 31 March 2017

No ▸	Particulars ▸	Tenure ▸	Site Area ▸ (Sq M)	Approx Build-up area ▸ (Sq m)
1.	Leasehold industrial land and building on Lots A1283900 & A1283901 at No. 2 Tanjong Penjuru Cresent, Singapore 608968.	60 years w.e.f 1 July 1980	18,264.9	11,660.4
2.	Leasehold land on Lot 04812A Mukim 7 at 15 Tuas South Street 6, Singapore 636913.	20 years 9 months w.e.f 17 Feb 2015	4,700.0	3,178.5
3.	Leasehold industrial building on Lots MK7-672K at No. 13, Pioneer Sector 2, Singapore 628374.	23 years w.e.f 1 Sep 1997	3,037.1	694.1
4.	Freehold agriculture land held under individual title GM 4789, Lot 808, Tempat Sungei Liam, Mukim Ulu Yam, Daerah Hulu Selangor	Freehold	21,549.0	21,549.0
5.	Freehold apartment known as Molek Regency Service Apartment on Lot 191517, Mukim Plentong at A-15-18, A-16-17, B-11-11 and C-16-03, No. 59, Jalan Molek 3/20, Taman Molek, 81100 Johor Bahru, Malaysia	Freehold	104,200.0	464.5
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.	99 years w.e.f. 26 August 2015	55.74	55.74

CEO'S STATEMENT

Dear Shareholders,

The financial year ended 31 March 2017 ("FY17") proved to be another difficult one for CSC, as construction industry bore the brunt of the economic slowdown in 2016 and registered a fall in demand for the second consecutive year. Intense competition for project tenders and the resulting low tender prices took its toll on the Group's performance despite our best effort to trim operating costs.

FINANCIAL REVIEW

We recorded revenue of $252.4 million, compared to $382.3 million in the previous financial year ("FY16"). The 34% year-on-year decline in revenue was mainly due to decline in demand for construction services, depressed tender prices and a delay in revenue recognition as a result of the deferment in the commencement of major public-sector projects. Although the construction activity saw a pick-up towards the fourth quarter of FY17, it was not sufficient to offset the effect of depressed activity levels in the initial three quarters of the financial year.

In line with the lower full-year revenue, gross profit declined 66.1% to $8.2 million, from $24.3 million in FY16. Consequently, gross profit margin fell to 3.3% in FY17, compared to 6.4% in FY16, reflecting the impact of a highly challenging operating environment that was partially mitigated through a Group-wide effort to restructure our operations, including the right-sizing of our equipment fleet and headcount.

Other income received in FY17, which was mainly contributed by a $1.3 million net gain on the disposal of aging and less efficient equipment, was $2.3 million, compared to $2.1 million a year ago. Operating expenses declined by 7.0% to $25.6 million, from $27.5 million in FY16, a positive result of the Group's cost-management initiatives. On the other hand, we recorded a $1.0 million write-down of plant and equipment, as well as a $2.6 million increase in impairment losses recognised on trade and other receivables, in FY17.

Net interest expenses decreased to $3.0 million, from $3.3 million a year ago, as a result of lower bank borrowings following our strict discipline in repaying our loans.

In consideration of the above, we recorded net loss of $25.4 million for FY17, versus a loss of $5.5 million in FY16.

As at 31 March 2017, the Group's net asset value per ordinary share was 7.8 cents, compared to 8.5 cents in the previous year.

On account of the net loan repayment, our total borrowings fell to $85.7 million, compared to $98.4 million as at 31 March 2016. Reflecting the lower borrowings, our debt-to-equity ratio was 0.50 times, versus 0.53 times as at 31 March 2016.

OPERATIONS REVIEW

Over the years, CSC has successfully built up a strong reputation as a foundation engineering specialist with robust capabilities and a sound track record. This proved crucial amid the dearth of private-sector construction activity in Singapore, as we leveraged our strengths to secure a relatively decent order book of domestic public-sector projects as well as several overseas projects. Some notable contracts awarded to the Group in Singapore, Malaysia and Vietnam during FY17 include:

Infrastructure projects

- Tanjong Katong, Sungei Bedok and Bayshore MRT Stations and tunnels along Thomson-East Coast Line (Singapore)
- Beauty World and Hillview MRT Stations and tunnels along Downtown Line Stage 2 (Singapore)
- Land preparation works for airfields and related ancillary works for new aircraft runway at Changi East (Singapore)

Residential projects

- Public housing developments in Bidadari, Bukit Panjang, Tampines and Hougang (Singapore)
- Stars of Kovan at Upper Serangoon Road (Singapore)
- East Parc@Menjalara and The Starz@KL South in Kuala Lumpur (Malaysia)
- Residensi Suasana@Damai in Selangor (Malaysia)
- Palm Heights in Ho Chi Minh City (Vietnam)

Industrial projects

- Amgen Singapore Manufacturing building extension (Singapore)
- Jurong Shipyard Tuas South Boulevard Yard (Singapore)
- HDB Defu Industrial City (Singapore)

Commercial projects

- Woods Square at Woodlands (Singapore)
- Redevelopment of The American Club and Funan Mall (Singapore)
- Cerrado Residential Suites and Fera Residence mixed developments in

CEO'S STATEMENT

Kuala Lumpur (Malaysia)
- IKEA Terbrau in Johor Bahru (Malaysia)

Institutional projects
- St Andrew's Junior and Secondary Schools (Singapore)
- Damai Primary School (Singapore)

Construction of our Tuas Yard, which began in January 2016, was completed in December of the same year. The new yard will help us streamline our cost base by consolidating our maintenance and repair activities in one location. We relocated the relevant facilities and equipment to the new Yard, and relinquishing some of the existing yard spaces to the lessors as their leases expire. We look forward to reaping greater cost efficiency and higher cost savings for the Group.

In September 2016, our 40%-owned joint-venture company, Top3 Development Sdn Bhd ("Top3"), entered into a conditional sale and purchase agreement to acquire two plots of freehold agricultural land aggregating 15 acres, in Seremban, Negeri Sembilan, Malaysia, for RM43 million, or approximately $14 million. An application for change in land use to commercial development has been submitted, and Top3 will only proceed with the land acquisition if the application is approved. The acquisition will be financed by a combination of shareholder funds and bank loans.

The Group further acquired a 21% stake in Coriolis Hertford Limited ("CHL") for $0.9 million in September 2016. CHL holds a 40% stake in Railway Street Hertford Limited, which has full planning permission to develop a 0.7-acre freehold land in Hertford, Hertfordshire in the United Kingdom, into a property comprising 28 residential units and 1 commercial space.

OUTLOOK

We maintain a cautious view of the outlook of the construction industry in the current financial year. The overall economic climate in Singapore remains uncertain, weighing down on a sector that needs a boost in construction projects to recover from the doldrums of recent years. The current sector landscape is one driven by public-sector construction demand including public residential and industrial projects such as HDB's Defu Industrial City and JTC's Logistics Hub @ Gul. On the other hand, persistent weakness in the private-sector residential and commercial sectors, amid a high supply of office and retail space coming on-stream this year, is also a characteristic of the year ahead. Conditions in regional markets such as Malaysia are also expected to be muted, with demand largely driven by government infrastructure projects. As at 22 May 2017, the Group's order book stood at approximately $220 million, with the bulk of these contracts expected to be completed within the next nine months.

In the recent financial years, we have aggressively implemented various measures to reduce our cost base and manage our expenditure on multiple fronts, in anticipation and preparation of difficult times. We have trimmed structural costs by consolidating our repair and maintenance operations in one location. We have also rationalised operating costs and strengthened our balance sheet, having reduced headcount by more than 30% and downsized equipment fleet by more than 20% since the sector's downturn.

These pre-emptive cost management measures have fortified our ability to withstand the laborious operating conditions within the sector. Nevertheless, relying solely on cost management is untenable and insufficient for survival as the room for further cost reduction will undoubtedly shrink with time.

Going forward, we will maintain our agility and responsiveness to industry changes, by adjusting our resources in tandem with demand and working on areas where we can provide differentiated value. At the same time, we will continue to look out for opportunities to grow our property business in a viable and sustainable way.

ACKNOWLEDGEMENTS

The construction industry downturn has tested the tenacity of my colleagues and fellow management team members to no small extent and they have amply demonstrated their grit and fortitude. I'm grateful to be able to work alongside them as we focus on overcoming our current difficulties.

I am also thankful for our Board members who have been unstinting with their guidance and insights. I would also like to extend my gratitude to our shareholders and business partners for their support through the years.

As a Group, we will continue to work hard to to reap the fruit of our effort in the coming years.

See Yen Tarn
Group Chief Executive Officer

WE WILL MAINTAIN OUR AGILITY AND RESPONSIVENESS TO INDUSTRY CHANGES, BY ADJUSTING OUR RESOURCES IN TANDEM WITH DEMAND AND WORKING ON AREAS WHERE WE CAN PROVIDE DIFFERENTIATED VALUE.

SEE YEN TARN
GROUP CHIEF EXECUTIVE OFFICER

总裁致辞

> 我们将在未来继续以灵活和敏捷的态度应对业内变化，配合市场需求适当地调整集团资源，并专注提供更具有竞争优势的业务和服务。与此同时，我们将继续探求有助房地产业务取得可行和可持续增长的商机。

尊敬的股东：

2016年经济放缓，建筑业首当其冲，连续第二年面对需求下降，在截至2017年3月31日的财政年度里（“2017财年”）再次为CSC带来艰巨的一年。尽管我们在削减营运成本方面做足了努力，但是集团在业绩方面仍然敌不过项目投标价格因激烈竞争被压低所带来的影响。

财务回顾 ▸

我们在2017财年里取得了2亿5240万元的营业额，相比前一财政年度（“2016财年”）的3亿8230万元，跌幅达34%。这主要归咎于建筑服务需求递减，投标价格下降，以及重大公共项目延期动工导致收入被延迟确认。建筑活动在2017财年第四季度有所回升，但这仍不足以弥补首三季建筑活动减少所带来的影响。

随着营业额的下滑，毛利从2016财年的2430万元下跌66.1%至820万元。毛利率也因此从2016年的6.4%下跌至2017财年的3.3%。毛利率的下跌反映了艰难的营运环境带给集团的打击。集团通过实行业务重组，适当调整设备规模和员工人数，减轻了一些因艰难的营运环境所带来的影响。

2017财年的其它收入达230万元，这主要来自脱售陈旧和效率低的设备所取得的130万元净收益，前一财年则为210万元。营运开支从2016财年的2750万元减少至2017财年的2560万元，这主要归功于集团的成本削减措施。另一方面，集团的设备减值达100万元，而贸易和其它应收款项的减损也上升了260万元。

净利息支出从前一财年的330万元下跌至300万元。我们在2017财年里在偿还贷款方面遵守集团秉持的严格纪律，导致银行贷款有所减少。

基于以上因素，我们在2017财年里报2540万元净亏损，2016财年则为550万元净亏损。

截至2017年3月31日，集团每普通股净资产值为7.8分，前一财年则为8.5分。

归功于集团在2017财年有纪律的偿还贷款，我们的总贷款从截至2016年3月31日的9840万元减少至8570万元。有鉴于此，我们的负债权益比率也从截至2016年3月31日的0.53倍改善至0.50倍。

业务回顾 ▸

CSC在常年累月的努力下成为了拥有强大实力和良好记录的地基工程专家。这份实力和声誉使我们能发挥我们的优势，在私宅建筑活动匮乏的时期仍然能够争取到相当多的本地公共项目和海外项目。这些来自新加坡、马来西亚和越南的项目包括：

基础设施项目

- 汤申-东海岸地铁线的丹戎加东、双溪勿洛和碧湾地铁站和隧道(新加坡)
- 滨海市区地铁线第二阶段的美世界和山景地铁站和隧道(新加坡)
- 樟宜东新飞机跑道的土地准备工作(新加坡)

住宅项目

- 比达达利、武吉班让、淡滨尼和后港的公共组屋项目 (新加坡)
- 实龙岗路上段的 Stars of Kovan (新加坡)
- 吉隆坡的 East Parc@Menjalara 和 The Starz@KL South (马来西亚)
- 雪兰莪的 Residensi Suasana@Damai (马来西亚)
- 胡志明市的 Palm Heights (越南)

工业项目

- 安进新加坡制药建筑扩建(新加坡)
- 裕廊船厂的大士南林荫道船厂 (新加坡)
- 建屋发展局的德福工业园(新加坡)

商业项目

- 兀兰广场(新加坡)
- 福南广场和美国俱乐部的重建 (新加坡)
- 吉隆坡的 Cerrado Residential Suites 和 Fera Residence 商住两用项目（马来西亚）
- 柔佛的宜家家居（马来西亚）

大型机构项目

- 圣安德烈小学与中学（新加坡）
- 达迈小学（新加坡）

于2016年1月动工的大士装配和维修厂房已于同年12月竣工。通过聚集我们的维修和维护设施于一个地点，新的厂房将有助我们减低营运成本。我们会将位于新加坡不同地方的厂房在其租约分别到期后将土地归还出租方，并将相关设施和设备迁往新厂房。我们期待从中能够获取更高的成本效益及节省。

2016年9月，我们持股40%的合资公司 Top3 Development Sdn Bhd ("Top3") 签订有条件买卖协议，以马币4300万元或约1400万新元收购马来西亚森美兰州芙蓉市的两块总面积达15英亩的永久地契农业用地。将土地转为商业用途的申请已经提交，而Top3则会在申请获批准后完成地皮收购。地皮收购经费将由股东资金和银行贷款支付。

除此之外，集团也于2016年9月以90万元收购 Coriolis Hertford Limited ("CHL") 的21%股权。CHL持有 Railway Street Hertford Limited ("RSH") 的40%股权。RSH 拥有将英国赫特福德郡的一块0.7英亩地皮发展成商住两用项目的全面规划许可，可将之发展为28个住宅单位和1个商用单位。

一览未来 ▸

我们在本财政年度里依然对建筑业保持谨慎态度。新加坡的整体经济环境依旧不明朗，对迫切需要更多建筑项目来取得复苏的建筑业造成很大影响。目前的建筑业主要由公共建筑需求推动增长，包括如建屋发展局的德福工业园和裕廊集团的卡尔物流中心等公共工业和住宅项目。另一方面，来自私人住宅和商业项目的需求也将持续疲弱，尤其今年将有多个办公和零售单位推出市场。马来西亚等区域市场环境预计也将较为疲软，需求预料主要来自公共基础设施项目。截至2017年5月22日，集团取得的项目合同价值达2亿2000万元，大部分项目预计可在未来九个月内完成。

在最近的几个财政年度，我们未雨绸缪，积极地实施了多项措施来减低成本，并从多方面下手削减开支，以为面对艰难时期做好准备。通过聚集维修和维护设施于一个地点，我们减少了结构性开支。自建筑业进入衰退期后，我们将员工人数减少30%、并将原有设备缩小20%，以便达到成本结构的合理化并强化资产实力。

这些前瞻性措施让我们更有能力抵御建筑业低迷带给集团的冲击。然而，单靠成本管理不足以也不能确保我们能在这艰巨环境下继续生存，因为能够削减成本的空间终究会日渐缩小。

因此，我们将在未来继续以灵活和敏捷的态度应对业内变化，配合市场需求适当地调整集团资源，并专注提供更具有竞争优势的业务和服务。与此同时，我们将继续探求有助房地产业务取得可行和可持续增长的商机。

致谢 ▸

建筑业的低迷对同事和同僚们无疑是一大考验，而他们也充分展现了毅力和坚韧性。我很感激能有机会与他们一起工作、共同努力克服当前的难关。

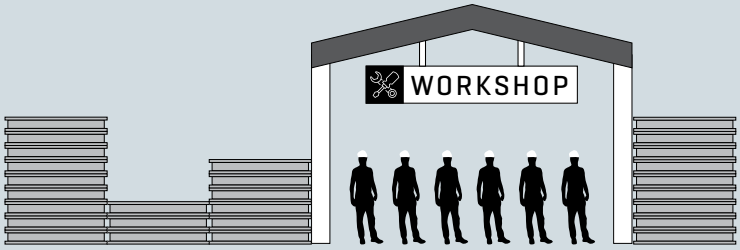
我也很感谢董事会成员毫无保留地给予指导和见解。我也要感谢一路支持我们的股东和生意伙伴。

我们将继续努力，期待未来收获努力的回报。

薛献凡
集团总裁

OPTIMIZATION

PREVIOUS YARD



We have three workshops, located a distance apart from one another. Their demands for space were similar. Heavy material and machine storage, fabrication, and machine maintenance activities were performed in open yards. These were mainly done in Tanjong Penjuru Crescent yard. Separately, we rented two other open yards in Refinery Road and Tuas West Drive, to cater for operational demands.

Disadvantages

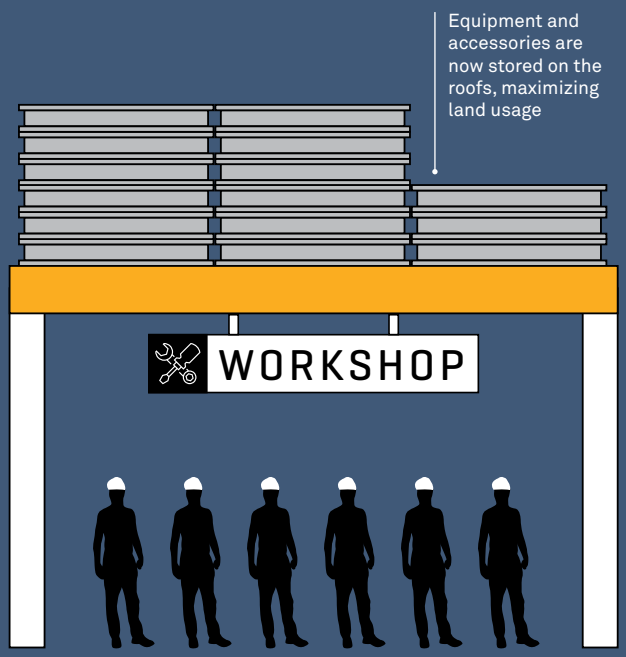
- Land use of open yards were not maximized. Rental of more yard space incurred additional cost.
- Increasing maintenance cost for old workshop infrastructure.
- Difficult to coordinate and share common resources due to separate service control centres.

THROUGH INNOVATION

The New Tuas Yard

The new Tuas South Fabrication & Machine Maintenance Workshop Building was built on 49,000sqft of land with 62,425sqft of higher quality usable area by leveraging the industrial gross floor area. New equipment with improved capability have been installed in the new facility. Created as a advanced support control centre, fabrication, and machine maintenance workshops, it harnesses synergies and brings all our three workshops together.

NEW YARD



Advantages

- Maximized land usage.
- Improved communication and coordination of common resources.
- Better equipment and facilities for a better work environment.
- Covered workplaces enhances overall workers' health and wellness and reduces sick leave, boosting productivity.
- Improves work safety significantly.

Optimisation savings/gains

Usable space gains

27%

Rental savings

75%

Manpower savings

5%

External source machine rental cost savings

10%

Maintenance of facility cost savings

25%

FIVE YEARS FINANCIAL SUMMARY

	FY13	FY14	FY15	FY16	FY17
Group Profit & Loss (S$'m)					
Revenue	533.1	487.1	427.9	382.3	**252.4**
Gross Profit	40.6	33.8	24.1	24.3	**8.2**
(Loss)/Profit After Tax	(0.7)	6.2	(13.6)	(5.5)	**(24.7)**
EBITDA	36.3	37.0	19.2	24.4	**8.2**
Group Balance Sheet (S$'m)					
Property, Plant & Equipment	184.6	166.8	185.6	167.9	**164.9**
Other Non-Current Assets	16.6	19.0	16.9	10.4	**14.8**
Total Current Assets	304.1	302.3	249.0	221.9	**181.0**
Total Assets	505.3	488.1	451.5	400.2	**360.7**
Total Equity	194.9	198.2	179.0	185.3	**170.8**
Other Non-Current Liabilities	65.8	49.6	32.3	29.6	**23.4**
Total Current Liabilities	244.6	240.3	240.2	185.3	**166.5**
Total Equity & Liabilities	505.3	488.1	451.5	400.2	**360.7**
Per Share Data (Cents)					
(Loss)/Earnings After Tax (Basic)	(0.28)	0.25	(1.38)	(0.48)	**(1.16)**
Net Asset Value	15.99	16.38	14.80	8.50	**7.80**
Dividends - tax exempt one-tier	0.10	0.10	–	–	**–**
Financial Ratios					
Return on Equity	-1.9%	1.7%	-10.2%	-4.4%	**-16.4%**
Gross Profit Margin	7.6%	6.9%	5.6%	6.4%	**3.3%**
Debt/Equity Ratio	86.3%	76.1%	66.0%	53.1%	**50.2%**
Current Ratio	1.24	1.26	1.04	1.20	**1.09**

FINANCIAL HIGHLIGHTS

	FY13	FY14	FY15	FY16	FY17
Bored Piles / Diaphragm Walls	326.5	300.5	256.3	240.5	105.5
Driven Piles / Jack - in Piles	99.0	73.4	49.8	46.1	29.0
Micro Piles / Other Foundation – Related Activities	31.9	49.8	46.7	32.6	46.8
Soil Investigation & Instrumentation Works	21.9	21.2	22.2	21.6	26.6
Sale & Lease of Foundation Engineering Equipment & Accessories	47.3	40.6	51.9	41.1	44.1
Others	6.5	1.6	1.0	0.4	0.4
Total	**533.1**	**487.1**	**427.9**	**382.3**	**252.4**

CORPORATE STRUCTURE

FOUNDATION AND GEOTECHNICAL ENGINEERING WORKS

Subsidiaries-Singapore

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

Subsidiaries-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

Subsidiary-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

Subsidiaries-Malaysia

- ICE Far East Sdn Bhd

Subsidiaries-Hong Kong

- ICE Far East (HK) Limited

Subsidiaries-Thailand

- ICE Far East (Thailand) Co., Ltd

Subsidiaries-India

- IMT – THL India Private Limited

Subsidiaries-Philippines

- THL Foundation Equipment Pte Ltd (Philippines) Inc

Subsidiaries-Myanmar

- THL Foundation Equipment (Myanmar) Company Limited

OTHERS

Subsidiaries-Singapore

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

Joint Operations - Singapore

- NHCS Investment Pte Ltd
- NH Singapore Biotechnology Pte Ltd

Joint Ventures - Malaysia

- Top3 Development Sdn Bhd

Associate - Hong Kong

- Coriolis Hertford Limited

Associate - UK

- Railway Street Hertford Ltd
- Allunite Limited

Other Investment- Malaysia

- THAB Development Sdn Bhd
- THAB PTP Sdn Bhd

BOARD OF DIRECTORS


01


03


05


02


04

01.
Chee Teck Kwong Patrick
Independent Non-Executive Chairman

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

Mr Chee is a Notary Public and a Commissioner for Oaths. He is a member of Singapore Institute of Arbitrators and Singapore Institute of Directors. He has served several years in the sub-committee of National Crime Prevention Council, Singapore, and worked with National Productivity Board, Singapore in developing and seeing the successful launch of some well known franchises in Singapore in the early 1990s. From 2002 to 2013, Mr Chee was the Organising Chairman of the "National Street Soccer League-Lee Hsien Loong Challenge Trophy".

He also sits on the Board of several public listed companies including Ramba Energy Limited, Hai Leck Holdings Limited and China International Holdings Limited. He

is also Honorary Legal Adviser to Hospitality Purchasing Association Singapore, and several big clans and trade associations in Singapore.

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

02.
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.

03.
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.

04.
Tan Ee Ping
Independent Director

Mr Tan joined the Board as an Independent Director in August 2003. Mr Tan is currently the Chairman of the Remuneration and Risk Management Committees. He runs his own professional consulting firm, TEP Consultants Pte Ltd since 1970. Mr Tan holds a Bachelor of Civil Engineering (Hons) degree from the University Malaya. He is a Fellow of the Academy of Engineering, Singapore. He was conferred the Honorary Fellowship of ASEAN Federation of Engineering Organizations in 2006 and the Honorary Fellowship of the Institution of Engineers, Singapore in 2008. He is presently an accredited principal adjudicator, principal mediator and arbitrator and Panel member, Strata Title Board. He is also a Director of Changi Airport Planners & Engineers Pte. Ltd. He was awarded the Public Service Medal (PBM) by the President of the Republic of Singapore in 1997.

05.
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 Audit Committee and is a member of the Nominating Committee. He is the Honorary Vice-President of the International Association of Public Transport (UITP) and Honorary Chairman of UITP Asia-Pacific Division. Mr Tan has over 30 years experience in the transport industry. He was the Chief Executive of Trans-Island Bus Services Ltd from 1994 to 2005 and also the Deputy President of SMRT Corporation Ltd from 2003 to 2005. A Colombo Plan scholar, Mr Tan graduated from Monash University in Australia with a First Class Honours degree in Mechanical Engineering in 1974 and he obtained a Master of Science (Industrial Engineering) degree from University of Singapore in 1979. Mr Tan was awarded the Pingat Bakti Masyarakat (Public Service Medal) in 1996 and Bintang Bakti Masyarakat (Public Service Star) in 2008 by the President of Republic of Singapore.

KEY MANAGEMENT


01


02


03

Corporate

01.
See Yen Tarn

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

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

02.
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 more than 20 years of experience, in foundation engineering 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.

03.
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.

04.
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.

05.
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 as Head, Design in April 2012. He has been redesignated as Head, Technical with effect from July 2015. He has been promoted to Director (Technical) on April 2017 overseeing the management 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 including foundation, deep excavation, slope stabilization and soil improvement in Singapore as well as in the South East Asia region.

06.
Phoon Soo Hin
Director, Regional Business

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.

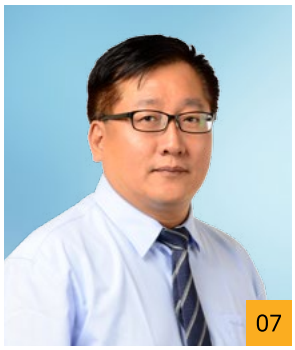

04


05


06

Mr Phoon has more than 30 years of working experience, mainly in geotechnical and foundation engineering works. He also involved in the operation of bored piling, diaphragm wall, micro piling works in various countries such as Malaysia, Indonesia and Vietnam for several years before joining the Group. He holds a Bachelor of Science in Civil Engineering from National Cheng Kung University, Taiwan.

KEY MANAGEMENT



07.
Goh Swee Leng
Senior Manager, Group Marketing/Tender

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

Mr Goh has more than 20 years of experience in Foundation, Geotechnical, Civil and Marine Construction in Singapore. He holds a Bachelor of Science in Civil Engineering from National Taiwan University, Taiwan in 1986.

08.
Lim Koh Seng
Head, Group Human Resource & Administration

Mr Lim joined the Group in January 2012 as Head, Group Human Resource and Administration. He has more than 20 years of Human Resource experience in both the private sector and the public sector. Mr Lim obtained his Bachelor degree in Business Administration from the National University of Singapore and subsequently a post graduate degree in Master of Science in Human Resource Management from the National University of Ireland.

09.
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.

10.
Kam Wai Chiang, Gary
IT & QEHS Manager

Mr Gary Kam joined CSC Holdings Limited in 2007 as Group IT & QEHS manager. He has more than 10 years of experience in IT and ISO 9000, 14000 & 18000 in the construction industry.

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

Singapore ▸

BORED PILES DIVISION

11.
Tang Joo Kim
Executive Director of CS Bored Pile System Pte Ltd ("CSBP") and DW Foundation Pte Ltd ("DWF")

Mr Tang joined the Group in April 2011 as Deputy General Manager of CSBP. In April 2012, he was promoted to the position of General Manager of CSBP and DWF. He was appointed as a Director

of CSBP and DWF in April 2015. In April 2017, he has been redesignated to Executive Director of CSBP and DWF.

Mr Tang has more than 20 years of experience in the field of structural design, geotechnical and foundation engineering. He holds a Diploma and Advance Diploma in Civil Engineering from the Singapore Polytechnic and a Bachelor Degree (1st Class Hons) in Civil Engineering from the University of Glasgow (UK).

DIAPHRAGM WALLS AND SOIL IMPROVEMENT DIVISIONS

12.
Loh Boon Chong
Director of L&M Foundation Specialist Pte Ltd

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

Mr Loh has more than 20 years of experience in the field of geotechnical, foundation and civil engineering works. He holds a Bachelor Degree in Engineering (Civil) from Nanyang Technological University, Singapore.

DRIVEN PILES / JACK-IN PILES / MICRO PILES

13.
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

14.
Ting Hua Keong
General Manager and Director of Soil Investigation Pte Limited ("SIPL")

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

Mr Ting graduated from the National University of Singapore in 1998 with a degree in civil engineering, and later obtained a Master of Science in 2005 in the same field. He has more than 17 years of experience in the area of soil investigation, laboratory testing and geotechnical and structural instrumentation and geophysical methods.

KEY MANAGEMENT

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 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 his current position of 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.


18


19

Vietnam

BORED PILES AND OTHER GEOTECHNICAL ENGINEERING SERVICES

20.
Yee Lip Chee
General Director of L&M Foundation Specialist (Vietnam) Limited Company ("LMVN")

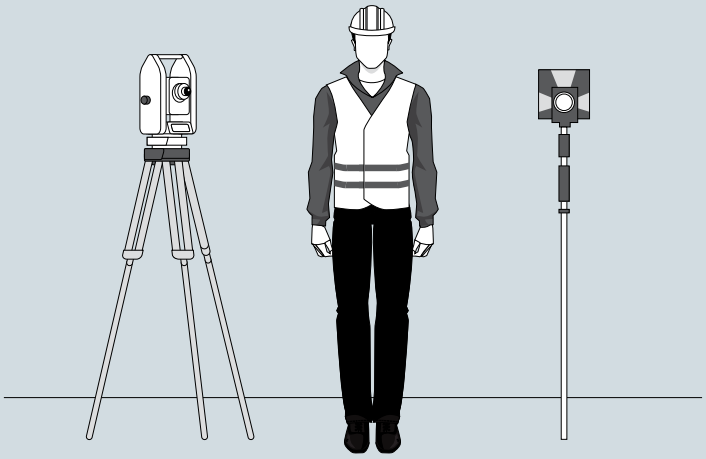
Mr Yee joined the Group in 2008 as General Director of LMVN where he was responsible for the business operation and management of LMVN.


20

Mr Yee has more than 20 years of experience in the field of deep foundation works. He holds a Bachelor degree in Civil Engineering from the National Taiwan University.

CERTAINTY

CONVENTIONAL METHOD



Before implementation of GNSS, piling peg displacement due to disturbances was a common occurrence. Therefore, a full-time survey team was required to set and re-check piling pegs using total station equipment. Undetected errors were corrected only after piling. This resulted in remedial works, which increased project costs.

Disadvantages

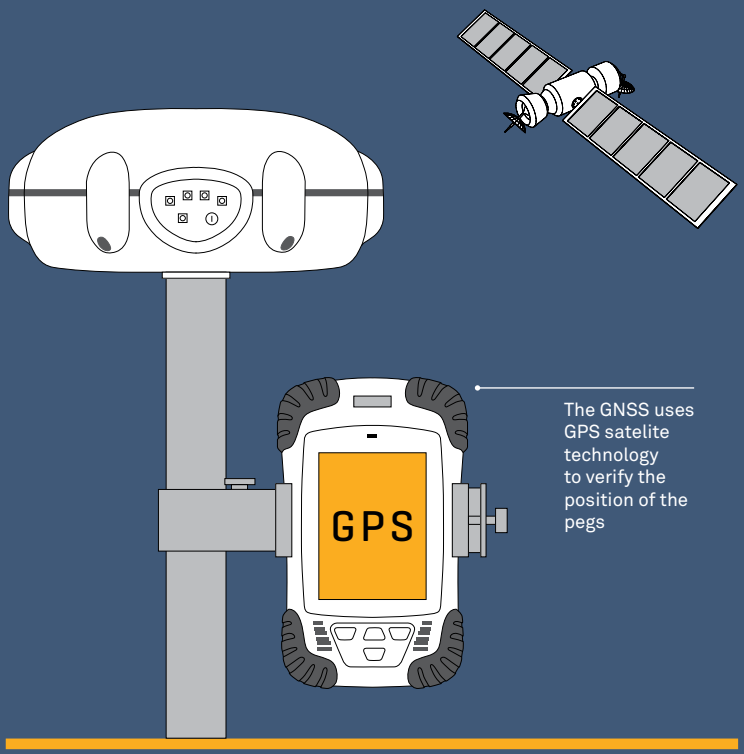
- More manpower required.
- Independent checks were not possible.
- Longer equipment initialization time, which were bulky and heavy.
- Prone to human error

THROUGH INNOVATION

The New GNSS Method

With GNSS, which utilizes GPS technology, we are now able to verify the position of the pegs prior to piling. We are also able to measure the position of the piles immediately after piling accurately. These records can be saved to a centralized data base where they can be retrieved by any authorized personnel.

NEW METHOD



Advantages

- 50% reduction in manpower.
- Improved accuracy and reduced human error.
- Allows quick verification before piling.
- Reduce cost from remedial work.

Certainty savings/gains

Manpower savings

50%

Overall man-day savings

75%

Productivity gains

300%

Training time savings

90%

Recording and updating time savings

12.5%

CSC EVENTS

DATE
27.07.2016

EVENT
Annual General Meeting

DATE
23.08.2016

EVENT
7th Month Prayer

DATE
18.01.2017

EVENT
Tuas Yard Opening Ceremony

DATE
20.01.2017

EVENT
Shou Gong Dinner

DATE
06.02.2017

EVENT
Kai Gong Ceremony

CORPORATE INFORMATION

Board Of Directors

EXECUTIVE

See Yen Tarn
Group Chief Executive Officer

NON-EXECUTIVE

Chee Teck Kwong Patrick
Chairman, Independent Director

Teo Beng Teck

Tan Ee Ping
Independent Director

Tan Hup Foi @ Tan Hup Hoi
Independent Director

Audit Committee

Tan Hup Foi @ Tan Hup Hoi
Chairman

Chee Teck Kwong Patrick

Teo Beng Teck

Nominating Committee

Chee Teck Kwong Patrick
Chairman

Tan Hup Foi @ Tan Hup Hoi

See Yen Tarn

Remuneration Committee

Tan Ee Ping
Chairman

Chee Teck Kwong Patrick

Teo Beng Teck

Risk Management Committee

Tan Ee Ping
Chairman

See Yen Tarn

Teo Beng Teck

Executive Committee

See Yen Tarn
Chairman

Koo Chung Chong

Lee Quang Loong

Company Secretary

Lee Quang Loong

Registered Office

No. 2 Tanjong Penjuru Crescent
Singapore 608968
Tel: (65) 6367 0933
Fax: (65) 6367 0911
Email: corp@cschl.com.sg
Website: http://www.cschl.com.sg

Share Registrar & Share Transfer Office

M & C Services Private Limited
112 Robinson Road #05-01
Singapore 068902
Tel: (65) 6228 0530
Fax: (65) 6225 1452

Auditors

KPMG LLP
Public Accountants and
Chartered Accountants
16 Raffles Quay, #22-00
Hong Leong Building
Singapore 048581

Audit Partner-in-Charge
Ling Su Min
Appointed since financial year
ended 31 March 2016

Principal Bankers

United Overseas Banking Limited

Oversea-Chinese Banking Corporation Limited

Malayan Banking Berhad

DBS Bank Ltd

Hong Leong Finance Limited

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 2017 ("FY2017") is set out below:

	Board Meeting		Audit Committee		Remuneration Committee	
Name of Directors	**No. of Meetings**	**Attendance**	**No. of Meetings**	**Attendance**	**No. of Meetings**	**Attendance**
Chee Teck Kwong Patrick	5	5	4	4	1	1
See Yen Tarn	5	5	NA	NA	NA	NA
Teo Beng Teck	5	5	4	4	1	1
Tan Ee Ping	5	5	NA	NA	1	1
Tan Hup Foi @ Tan Hup Hoi	5	5	4	4	NA	NA

	Nominating Committee		Risk Management Committee	
Name of Directors	**No. of Meetings**	**Attendance**	**No. of Meetings**	**Attendance**
Chee Teck Kwong Patrick	2	2	NA	NA
See Yen Tarn	2	2	4	4
Teo Beng Teck	NA	NA	4	4
Tan Ee Ping	NA	NA	4	4
Tan Hup Foi @ Tan Hup Hoi	2	2	NA	NA

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

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

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
Mr Chee Teck Kwong Patrick	20 March 1998 / 27 July 2016	Independent Non-Executive Chairman Chairman of the Nominating Committee and member of the Remuneration and Audit Committees	Director of - China International Holdings Limited - Hai Leck Holdings Limited - Ramba Energy Limited	Director of - Hanwell Holdings Limited - Tat Seng Packaging Group Ltd - Hengxin Technology Ltd
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, Risk Management and Executive Committees	Director of - Longcheer Holdings Limited - Eindec Corporation Limited - Singhaiyi Group Ltd	Director of Lizhong Wheel Group Ltd
Mr Teo Beng Teck	24 November 2003/ 27 July 2015	Non-Executive Director Member of the Risk Management, Audit and Remuneration Committees	Nil	Nil
Mr Tan Ee Ping	28 August 2003/ 27 July 2016	Independent Director Chairman of the Remuneration and Risk Management Committees	Nil	Nil
Mr Tan Hup Foi @ Tan Hup Hoi	3 April 2006/ 27 July 2015	Independent Director Chairman of the Audit Committee and member of the Nominating Committee	Nil	Director of - SHC Capital Asia Limited - Cityneon Holdings Limited

CORPORATE GOVERNANCE REPORT

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

Non-Executive and Independent Directors of the Board exercise no management functions in the Company or its subsidiary. Although all the Directors have an equal responsibility for the Group's operations, the roles of the Non-Executive and Independent Directors are particularly important in ensuring that the proposals by Management are fully discussed, examined and constructively challenged. The Non-Executive and Independent Directors help to develop proposals on business strategies, business operations and practices of the Group. In addition, the Non-Executive and Independent Directors evaluate the performance of Management by determining whether Management has met specific goals and objectives, which are pre-determined by the Board.

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

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

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

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

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

CORPORATE GOVERNANCE REPORT

PRINCIPLE 4: BOARD MEMBERSHIP
PRINCIPLE 5: BOARD PERFORMANCE

NOMINATING COMMITTEE

The NC comprises Mr Chee Teck Kwong Patrick (Chairman), Mr Tan Hup Foi @ Tan Hup Hoi and Mr See Yen Tarn, the majority of whom, including the Chairman, are independent.

The NC is responsible for inter alia the following:

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

(b) reviewing the succession plans for Directors;

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

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

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

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

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

New Directors of the Company and the Group are appointed by way of Board resolutions of the respective companies. The NC identifies suitable candidates for appointment to the Board having regard to the background, experience, professional skills and personal qualities of the candidates. The NC makes recommendations to the Board on candidates it considers appropriate for appointment. The NC has formalised this process and has adopted procedures for the selection, appointment and re-appointment of Directors, in order to increase transparency of the nominating process. According to the Regulation 108 of the Constitution, such new Directors of the Company shall submit themselves for re-election at the next Annual General Meeting ("AGM") of the Company.

In addition, the Regulation 104 of the Constitution also provides that at least one-third of the Directors will be subjected to re-election by rotation at each AGM. The NC makes recommendations to the Board as to whether the Board should support the re-election of a Director who is retiring in accordance with the Regulation 104. Accordingly, the Directors submit themselves for re-nomination or re-election at regular intervals.

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

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

CORPORATE GOVERNANCE REPORT

The Company engaged RHT Capital Pte Ltd to assist the NC in the review process of the independence of the aforementioned Independent Directors.

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.

In this regard, the NC with the concurrence of the Board, after rigorous review of the independence of (i) Mr Chee Teck Kwong Patrick; (ii) Tan Hup Foi @ Tan Hup Hoi; and (iii) Mr Tan Ee Ping by having served on the Board as Directors beyond nine years are of the view that they continue to remain independent. Each Independent Director has abstained from voting on any resolution where it relates to their individual re-appointment.

CORPORATE GOVERNANCE REPORT

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

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

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

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

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

- there should be a strong and independent element on the Board, with Independent Directors making up at least one-third of the Board where:

  (a) the Chairman of the Board and the CEO is not the same person; and

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

- the Board should comprise business leaders and professionals with legal, finance, engineering business and management backgrounds.

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

The NC, in considering the re-appointment of any Director, evaluates the performance of the Director. The NC has conducted a self-assessment process that requires each Director to assess the performance of the Board as a whole for FY2017. The self-assessment process took into consideration, inter alia, board structure, corporate strategy and planning, risk management and internal control, performance measurement and compensation, succession planning, financial reporting, conduct of meetings and communication with shareholders. The findings were then collated and analysed, and thereafter presented to the NC for discussion.

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

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

PRINCIPLE 6: ACCESS TO INFORMATION

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

CORPORATE GOVERNANCE REPORT

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

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

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

REMUNERATION COMMITTEE

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

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

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

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

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

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

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

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

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

The RC had recommended to the Board an amount of $321,000 as Directors' fees for the year ending 31 March 2018. This recommendation had been endorsed by the Board and will be tabled at the forthcoming AGM for shareholders' approval.

CORPORATE GOVERNANCE REPORT

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*	–	–	76.3	23.7	100
Below $250,000	Chee Teck Kwong Patrick	100	–	–	–	100
	Teo Beng Teck	70.9	29.13	–	–	100
	Tan Ee Ping	100	–	–	–	100
	Tan Hup Foi @ Tan Hup Hoi	100	–	–	–	100

* Mr See Yen Tarn is a Director of the Company and the Group CEO.

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

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

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

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

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

In order to provide a macro perspective of the remuneration patterns of key executives, while maintaining the confidentiality, the disclosure of the top ten executives' remuneration (who are not Directors of the Company or the CEO) of the Group for the FY2017 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	9	78.6	21.4	0.00	100%
$250,000 and below	1	90.2	9.8	0.00	100%

(1) The salary amount shown is inclusive of allowances 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 FY2017 is approximately $3,262,500.

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

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

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

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

The PSS Scheme is administered by the RC.

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

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

No grant or award was vested under the PSS Scheme in the FY2017.

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;

CORPORATE GOVERNANCE REPORT

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

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

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

RISK MANAGEMENT COMMITTEE

In order to assist the Board in fulfilling its oversight responsibilities on risk management, the Group has set up a Risk Management Committee, comprising three Directors, namely Mr Tan Ee Ping (Chairman), Mr See Yen Tarn and Mr Teo Beng Teck.

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

The key functions of the RMC under its terms of reference include:

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

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

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

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

(e) evaluating risks in new business and in new markets.

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

INTERNAL CONTROLS

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

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

CORPORATE GOVERNANCE REPORT

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

The Group's key internal controls include:

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

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

(a) the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(b) the system of risk management and internal controls in place within the Group (including financial, operational, compliance and information technology controls) are adequate and effective in addressing the material risks in the Group in its current business environment.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by the Management, the AC and the Board are of the opinion that the Group's internal controls, addressing financial, operational, compliances and information technology controls and risk management systems were adequate and effective as at 31 March 2017 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.

CORPORATE GOVERNANCE REPORT

PRINCIPLE 12: AUDIT COMMITTEE

AUDIT COMMITTEE

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

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

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

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

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

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

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

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

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 64 to 68 of the Annual Report.

CORPORATE GOVERNANCE 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 FY2017 were $474,160 and $115,389 respectively. The AC, with the concurrence of the Board, had recommended the re-appointment of KPMG LLP as external auditors at the forthcoming AGM of the Company.

WHISTLE-BLOWING POLICY

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

PRINCIPLE 13: INTERNAL AUDIT

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

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

The scope of the IA function is as follows:-

(a) to evaluate the reliability, adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls of the Company and its subsidiaries in scope;

(b) to highlight key business issues and operational weaknesses to the AC for deliberation with copies of these reports extended to the Group CEO, CFO and other relevant senior management officers; and

(c) to discuss the summary of findings and recommendations as well as the status of implementation of the actions agreed by Management at the AC meetings.

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

The AC reviews 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.

CORPORATE GOVERNANCE REPORT

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

PRINCIPLE 14: SHAREHOLDER RIGHTS
PRINCIPLE 15: COMMUNICATION WITH SHAREHOLDERS
PRINCIPLE 16: CONDUCT OF SHAREHOLDER MEETINGS

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

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

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

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

The Company does not have a formal dividend policy. The Board considers the Company's capital structure, cash requirements and future plans in deciding whether to declare dividends. The Company has not distributed dividends for FY2017 to conserve its cash reserves for operation amidst volatile market conditions.

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

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

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

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

CORPORATE GOVERNANCE REPORT

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.

INTERESTED PERSON TRANSACTIONS ("IPTs")

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

The Company had not obtained a shareholders' mandate for IPTs under Chapter 9 of the Listing Manual for the period after 26 July 2016.

CORPORATE GOVERNANCE REPORT

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)	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
Tat Hong Heavyequipment (Pte.) Ltd [1]	$2,704,029	$1,207,192
Top3 Development Sdn Bhd [2]	$748,608	NIL
Tat Hong Plant Leasing Pte Ltd [1]	$299,730	NIL
Tat Hong Plant Hire Sdn Bhd [1]	$257,510	NIL

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

Note:

(1) Tat Hong Heavyequipment (Pte.) Ltd., Tat Hong Plant Leasing Pte Ltd and Tat Hong Plant Hire Sdn Bhd are related corporations of TH Investments Pte Ltd, a substantial shareholder of the Company.

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

Pursuant to the SHA, the Group subscribed for shares equivalent to 40% of the share capital of TOP3 for approximately $0.7 million and granted a partial initial shareholder's loan of approximately $0.1 million to TOP3 during the first quarter ended 30 June 2016.

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

With reference to the Company's announcement dated 10 February 2017, as at 30 May 2017, the update on the utilisation of the net proceeds raised from the Rights cum Warrants Issue on 30 December 2015 is as follows:

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

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

Notes:

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

(2) Working capital consists of trade payables and other operating expenses.

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 12 June 2017 (i.e. Latest Practical Date), the Concert Party Group holds in aggregate:

   (i) 1,155,618,407 Shares, representing approximately 52.81% of the voting rights in the Company; and

   (ii) 276,232,590 Warrants, out of which 113,942,490 Warrants were pursuant to the Whitewash Waiver;

(c) The maximum potential voting rights of the Concert Party Group in the Company as at the Latest Practical Date, assuming that only the Concert Party Group (but not other shareholders) converts their Warrants in full is approximately 58.10% (based on the enlarged share capital of the Company of 2,464,252,171 Shares (excluding treasury shares) immediately following the allotment and issue of 276,232,590 Warrant Shares to the Concert Party Group);

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

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

DIRECTORS' STATEMENT

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 March 2017.

In our opinion:

(a) the financial statements set out on pages 69 to 145 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 2017 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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

DIRECTORS

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

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

DIRECTORS' INTERESTS

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

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
The Company		
Chee Teck Kwong Patrick		
- ordinary shares		
- interest held	5,949,333	5,949,333
- warrants		
- interest held	7,436,665	7,436,665
See Yen Tarn		
- ordinary shares		
- deemed interest	8,466,666	9,266,666
- 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	Holdings at end of the year
The Company		
Teo Beng Teck		
- ordinary shares		
- interest held	5,260,000	5,260,000
- warrants		
- interest held	6,575,000	6,575,000
Tan Ee Ping		
- ordinary shares		
- interest held	6,089,333	6,089,333
- deemed interest	66,666	66,666
- warrants		
- interest held	7,611,665	7,611,665
- deemed interest	83,330	83,330

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

There were no changes in any of the above mentioned interests in the Company between the end of the financial year and 21 April 2017.

Except as disclosed under the "Share Options" section of this statement, neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SHARE OPTIONS

The CSC Performance Share Scheme 2008

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

Other information regarding the PSS Scheme is set out below:

(i) Awards represent the right of a participant to receive fully-paid shares free of charge, upon the participant satisfying the criteria set out in the PSS Scheme.

DIRECTORS' STATEMENT

SHARE OPTIONS (CONT'D)

The CSC Performance Share Scheme 2008 (cont'd)

(ii) The Committee has the absolute discretion on the following in relation to an award:

(a) select eligible directors and employees to participate in the PSS Scheme;
(b) determine the number of shares to be offered to each participant; and
(c) assess the service and performance of the participants.

(iii) All awards are settled by physical delivery of shares.

(iv) The PSS Scheme shall continue to be in force for a maximum period of ten (10) years commencing on the adoption date.

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

WARRANTS

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

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

Date of issue of warrants	Exercise price per warrants	Warrants outstanding at 1 April 2016	Warrants issued	Warrants exercised	Warrants outstanding at 31 March 2017	Expiry date
30/12/2015	$0.01	1,441,396,590	–	(295,000)	1,441,101,590	29/12/2020

AUDIT COMMITTEE

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

- Tan Hup Foi @ Tan Hup Hoi (Chairman), independent director
- Chee Teck Kwong Patrick, independent director
- Teo Beng Teck, non-executive director

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

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

DIRECTORS' STATEMENT

AUDIT COMMITTEE (CONT'D)

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.

AUDITORS

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

On behalf of the Board of Directors

Chee Teck Kwong Patrick
Chairman

See Yen Tarn
Group Chief Executive Officer

29 June 2017

INDEPENDENT AUDITORS' REPORT

To the 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 2017, and 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 69 to 145.

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 Financial Reporting Standards in Singapore ('FRSs') 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 2017, 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.

<u>Recognition of construction-related revenue, costs and provisions (Refer to Notes 20, 21 and 22 to the financial statements)</u>

Risk:

Owing to the long-term and complex nature of the Group's construction contracts, there is an inherent risk that the projects may run into losses. Project costs estimation including contingencies and variation orders in project accounting are highly judgemental. Any changes in these estimates could result in material variances in the contract revenue and budgeted costs, including recognition of additional provisions for foreseeable losses, rectification costs and liquidated damages. The budgeted and progressive project margin recognised on existing projects could significantly change in future periods.

How the matter was addressed in our audit:

We selected a sample of contracts for testing using qualitative and quantitative criteria, such as contracts with low or negative margins and those with claims and other adverse factors.

INDEPENDENT AUDITORS' REPORT

To the members of CSC Holdings Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Recognition of construction-related revenue, costs and provisions (Refer to Notes 20, 21 and 22 to the financial statements) (cont'd)

How the matter was addressed in our audit: (cont'd)

We verified the contract revenues and costs recognised to contract terms, project status reports and other relevant supporting documents. We reviewed the reasonableness of estimates used and evaluated for risk of possible management bias. We also reviewed management's assessment of the estimated costs to complete and probability of further costs, such as rectification costs and liquidated damages.

Our findings

We found sufficient evidence to support the recognition of construction-related revenue, costs and provisions as at 31 March 2017, considered together with disclosures of management's assessment of estimation uncertainties embedded in project accounting of long-term construction contracts.

Impairment of trade receivables and amount due from customers for contract works (Refer to Note 12 to the financial statements)

Risk:

The Group's trade receivables and amount due from customers for contract works amounted to $48 million and $91 million respectively. The Group identifies debtors with potential recoverability issues, based on repayment trends and aging of the receivables.

Judgement is required to determine if adequate impairment losses were made against these exposures.

How the matter was addressed in our audit:

We assessed the recoverability of receivables, focusing on individually significant and long outstanding amounts. We also analysed the payment history of these debtors and checked for receipts subsequent to the year-end. We also considered the contract performance and other non-contractual arrangements reached with customers, including settlement arrangements.

Our findings

The Group has a process to monitor all outstanding receivable balances and make specific provisions for balances that are deemed uncollectible due to disputes or when financial situation of the customers deteriorate. The level of impairment allowance on these exposures recognised was found to be balanced as at 31 March 2017.

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

Risk:

The Group has a significant asset base and has experienced declining performance in recent years. In assessing whether the carrying amount of the property, plant and equipment was impaired, management considered the following impairment triggers, namely: extended idle time, worsening economic performance, and declining industry and economic trends.

INDEPENDENT AUDITORS' REPORT

To the members of CSC Holdings Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Impairment of property, plant and equipment (Refer to Note 4 to the financial statements) (cont'd)

Risk: (cont'd)

Where there were indicators of impairment, the Group engaged external valuers to value its property, plant and equipment to determine their recoverable amounts. The valuation technique adopted and the related input assumptions are 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 input and assumptions used by the external valuer by comparing them against market observable data and other relevant information.

Our findings

The external valuer is a member of recognised professional bodies for valuers. We found that the valuation technique as well as inputs used by the external valuer is comparable to market practices for similar assets.

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.

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.

INDEPENDENT AUDITORS' REPORT

To the members of CSC Holdings Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Responsibilities of management and directors for the financial statements (cont'd)

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.

- 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.

INDEPENDENT AUDITORS' REPORT

To the members of CSC Holdings Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditors' responsibilities for the audit of the financial statements (cont'd)

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
29 June 2017

STATEMENT OF FINANCIAL POSITION

As at 31 March 2017

	Note	Group		Company	
		2017	2016	2017	2016
		$'000	$'000	$'000	$'000
Non-current assets					
Property, plant and equipment	4	164,929	167,912	31	40
Goodwill	5	1,452	1,452	–	–
Investments in:					
- subsidiaries	6	–	–	114,592	106,367
- an associate	8	904	–	–	–
- a joint venture	9(a)	704	1,342	–	–
Other investments	10	879	855	–	–
Trade and other receivables	12	10,544	6,593	–	–
Deferred tax assets	18	252	154	19	22
		179,664	178,308	114,642	106,429
Current assets					
Inventories	11	25,257	24,353	–	–
Trade and other receivables	12	137,287	165,962	26,485	25,157
Cash and cash equivalents	13	18,532	31,568	1,398	5,962
		181,076	221,883	27,883	31,119
Total assets		360,740	400,191	142,525	137,548
Equity attributable to owners of the Company					
Share capital	14	80,292	80,289	80,292	80,289
Reserves	15	64,652	79,595	49,403	47,516
		144,944	159,884	129,695	127,805
Non-controlling interests	7	25,900	25,454	–	–
Total equity		170,844	185,338	129,695	127,805
Non-current liabilities					
Loans and borrowings	17	21,632	28,458	26	36
Deferred tax liabilities	18	1,726	1,096	–	–
		23,358	29,554	26	36
Current liabilities					
Loans and borrowings	17	64,050	69,945	10	104
Derivatives		–	69	–	–
Trade and other payables	19	84,960	94,951	12,753	9,523
Excess of progress billings over construction work-in-progress	20	186	186	–	–
Provisions	21	15,917	18,798	–	–
Current tax payable		1,425	1,350	41	80
		166,538	185,299	12,804	9,707
Total liabilities		189,896	214,853	12,830	9,743
Total equity and liabilities		360,740	400,191	142,525	137,548

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2017

	Note	2017 $'000	2016 $'000
Revenue	22	252,360	382,341
Cost of sales		(244,114)	(358,014)
Gross profit		8,246	24,327
Other income		2,306	2,141
Distribution expenses		(526)	(779)
Administrative expenses		(25,711)	(26,856)
Other operating expenses		(2,850)	(804)
Results from operating activities		(18,535)	(1,971)
Finance income		213	1,259
Finance expenses		(3,843)	(3,553)
Net finance expenses	23	(3,630)	(2,294)
Share of loss of joint ventures (net of tax)		(247)	(107)
Loss before tax		(22,412)	(4,372)
Tax expense	24	(2,313)	(1,094)
Loss for the year	25	(24,725)	(5,466)
Loss attributable to:			
Owners of the Company		(25,282)	(6,871)
Non-controlling interests		557	1,405
Loss for the year		(24,725)	(5,466)
Loss per share	26		
Basic loss per share (cents)		(1.16)	(0.48)
Diluted loss per share (cents)		(1.16)	(0.48)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2017

	2017 $'000	2016 $'000
Loss for the year	(24,725)	(5,466)
Other comprehensive income		
Item that will not be reclassified to profit or loss:		
Revaluation surplus of property, plant and equipment	11,828	–
Items that are or may be reclassified subsequently to profit or loss:		
Foreign currency translation differences - foreign operations	(1,595)	(3,206)
Foreign currency translation differences on disposal of a joint venture reclassified to profit or loss	63	–
Other comprehensive income for the year, net of tax	10,296	(3,206)
Total comprehensive income for the year	(14,429)	(8,672)
Total comprehensive income attributable to:		
Owners of the Company	(14,943)	(9,813)
Non-controlling interests	514	1,141
Total comprehensive income for the year	(14,429)	(8,672)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2017

	Note	Share capital	Capital reserve	Reserve for own shares	Reserve on consolidation
		$'000	$'000	$'000	$'000
At 1 April 2015		64,953	17,798	(2,354)	116
Total comprehensive income for the year					
Profit or loss for the year		–	–	–	–
Other comprehensive income					
Foreign currency translation differences		–	–	–	–
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 rights issue	14	10,081	–	–	–
Issue of shares from exercise of warrants	14	5,748	–	–	–
Share issuance expenses	14	(493)	–	–	–
Dividends paid to non-controlling interests		–	–	–	–
Total contributions by and distributions to owners		15,336	–	–	–
Changes in ownership interests in a subsidiary					
Acquisition of non-controlling interests without a change in control	27.1(a)	–	–	–	–
Total changes in ownership interests in a subsidiary		–	–	–	–
Total transactions with owners of the Company		15,336	–	–	–
At 31 March 2016		80,289	17,798	(2,354)	116
At 1 April 2016		80,289	17,798	(2,354)	116
Total comprehensive income for the year					
Profit or loss for the year		–	–	–	–
Other comprehensive income					
Foreign currency translation differences		–	–	–	–
Foreign currency translation differences on disposal of a joint venture		–	–	–	–
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	14	3	–	–	–
Dividends paid to non-controlling interests		–	–	–	–
Total contributions by and distributions to owners		3	–	–	–
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		3	–	–	–
At 31 March 2017		80,292	17,798	(2,354)	116

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

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
(2,943)	–	(923)	77,672	154,319	24,719	179,038
	–					
–	–	–	(6,871)	(6,871)	1,405	(5,466)
(2,942)	–	–	–	(2,942)	(264)	(3,206)
(2,942)	–	–	–	(2,942)	(264)	(3,206)
(2,942)	–	–	(6,871)	(9,813)	1,141	(8,672)
–	–	–	–	10,081	–	10,081
–	–	–	–	5,748	–	5,748
–	–	–	–	(493)	–	(493)
–	–	–	–	–	(195)	(195)
–	–	–	–	15,336	(195)	15,141
–	–	42	–	42	(211)	(169)
–	–	42	–	42	(211)	(169)
–	–	42	–	15,378	(406)	14,972
(5,885)	–	(881)	70,801	159,884	25,454	185,338
(5,885)	–	(881)	70,801	159,884	25,454	185,338
–	–	–	(25,282)	(25,282)	557	(24,725)
(1,552)	–	–	–	(1,552)	(43)	(1,595)
63	–	–	–	63	–	63
–	11,828	–	–	11,828	–	11,828
(1,489)	11,828	–	–	10,339	(43)	10,296
(1,489)	11,828	–	(25,282)	(14,943)	514	(14,429)
–	–	–	–	3	–	3
–	–	–	–	–	(195)	(195)
–	–	–	–	3	(195)	(192)
–	–	–	–	–	127	127
–	–	–	–	–	127	127
–	–	–	–	3	(68)	(65)
(7,374)	11,828	(881)	45,519	144,944	25,900	170,844

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2017

	Note	2017 $'000	2016 $'000
Cash flows from operating activities			
Loss for the year		(24,725)	(5,466)
Adjustments for:			
Allowance for foreseeable losses reversed on construction work-in-progress		–	(316)
Bad debts written (back)/off	25	(20)	89
Depreciation of property, plant and equipment	4	26,941	26,473
Gain on disposal of:			
- property, plant and equipment		(1,287)	(959)
- a joint venture		(179)	–
Impairment losses recognised on:			
- property, plant and equipment	4	98	–
- trade and other receivables	12	1,712	1,514
Inventories written down	11	909	7
Inventories written off	25	–	6
Net finance expenses	23	3,630	2,294
Property, plant and equipment written off	25	1	15
Provision for liquidated damages	21	654	3,448
Provision for rectification costs	21	437	4,533
Share of loss of joint ventures (net of tax)		247	107
Tax expense	24	2,313	1,094
		10,731	32,839
Changes in:			
Inventories		(2,089)	4,153
Trade and other receivables		21,075	40,975
Trade and other payables		(11,632)	(39,648)
Cash generated from operations		18,085	38,319
Taxes paid		(1,743)	(1,201)
Interest received		213	545
Net cash generated from operating activities		16,555	37,663
Cash flows from investing activities			
Acquisition of property, plant and equipment		(13,055)	(9,257)
Proceeds from disposal of:			
- property, plant and equipment		4,387	3,510
- subsidiaries in prior year		286	360
- a joint venture		548	–
Acquisition of:			
- non-controlling interests		–	(896)
- an associate		(904)	–
Incorporation of a joint venture		(749)	–
Net cash used in investing activities		(9,487)	(6,283)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2017

	Note	2017	2016
		$'000	$'000
Cash flows from financing activities			
Interest paid		(3,217)	(3,529)
Dividends paid to non-controlling interests of a subsidiary		(195)	(195)
Proceeds from:			
- bank loans		28,897	30,946
- bills payable		32,017	52,965
- cash grant from Productivity and Innovation Credit Scheme for acquisition of property, plant and equipment		64	18
- issue of shares from rights issue, net of expenses		–	9,588
- issue of shares from exercise of warrants, net of expenses		3	5,748
Repayment of:			
- bank loans		(20,505)	(41,500)
- bills payable		(38,535)	(54,593)
- finance lease liabilities		(16,792)	(22,853)
Fixed deposit pledged		(1,000)	–
Net cash used in financing activities		(19,263)	(23,405)
Net (decrease)/increase in cash and cash equivalents		(12,195)	7,975
Cash and cash equivalents at 1 April		25,935	18,295
Effect of exchange rate fluctuations on cash held		(650)	(335)
Cash and cash equivalents at 31 March	13	13,090	25,935

Significant non-cash transactions

(a) During the financial year, the Group acquired property, plant and equipment with an aggregate cost of $16,924,000 (2016: $12,414,000) of which $2,992,000 (2016: $3,683,000) were acquired by means of finance leases. At reporting date, the unpaid liabilities from the purchase of property, plant and equipment amounted to $2,441,000 (2016: $1,503,000). The unpaid liabilities for prior year's acquisition of property, plant and equipment amounting to $1,500,000 were paid during the financial year.

(b) During the financial year, the Group disposed of property, plant and equipment with a carrying amount of $3,923,000 (2016: $1,550,000) for a sale consideration of $5,211,000 (2016: $2,509,000), of which $1,697,000 (2016: $898,000) has not yet been received as at reporting date. Sale proceeds of $873,000 (2016: $Nil) from prior year's disposal of property, plant and equipment were received during the financial year.

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 29 June 2017.

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 2017 comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities') and the Group's interests in an associate, a joint venture and a joint operation.

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 the Singapore Financial Reporting Standards (FRS).

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgements

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

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 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 goodwill
- Note 6 - Measurement of impairment losses on interests in subsidiaries
- Note 11 - Measurement of net realisable value on inventories
- Note 12 - Measurement of impairment losses on trade and other receivables and amount due from customers for contract works
- Note 20 - Measurement of allowance for foreseeable losses on construction work-in-progress
- Note 21 - Measurement of provisions for liquidated damages and rectification costs
- Note 22 - Estimation of revenue and profit recognised on foundation engineering contracts

Measurement of fair values

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

When measuring the fair value of an asset or a liability, the Group uses 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 note 28.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

2 BASIS OF PREPARATION (CONT'D)

2.5 Changes in accounting policies

Changes in subsequent measurement of property, plant and equipment (specifically, freehold and leasehold land and properties) from cost model to revaluation model

As at 31 March 2017, the Group changed its accounting policy with respect to the subsequent measurement of the freehold and leasehold land and properties from the cost model to the revaluation model. The Group believes that the revaluation model provides more appropriate and relevant information on the Group's assets value as at reporting date. The change in accounting policy has been applied prospectively with effect from 31 March 2017. The opening balance of equity is not adjusted and comparatives have not been restated.

Summary of quantitative impact

The effects of the change in accounting policy as at the date of change are as follows:

	Freehold land	Leasehold land and properties	Total
	$'000	$'000	$'000
2017			
Property, plant and equipment			
Balance before revaluation	841	15,283	16,124
Gain on revaluation	11	11,817	11,828
Balance after revaluation	852	27,100	27,952
Revaluation on reserve			
Revaluation of property, plant and equipment	11	11,817	11,828

There is no impact on the Group's basic or diluted earnings per share and the total operating, investing or financing cash flows for the year ended 31 March 2017.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting 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 recognised in profit or loss, except for differences arising on the translation of monetary items that in substance form part of the Group's net investment in a foreign operation.

Foreign operations

The assets and liabilities of foreign operations, including 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. Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of the foreign operation and are translated at the exchange rates at the reporting date. For acquisitions prior to 1 January 2005, the exchange rates at the date of acquisition were used.

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

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely 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 2017

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Basis of consolidation

Business combinations

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

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
- 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 FRSs.

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Basis of consolidation (cont'd)

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

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

Loss of control

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

Investments in 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 or joint control commences until the date that significant influence or joint control ceases.

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

Joint 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Basis of consolidation (cont'd)

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.

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.

3.3 Property, plant and equipment

Recognition and measurement

Freehold and leasehold land and properties

Freehold and leasehold land and properties are initially measured at cost and subsequently carried at its revalued amounts, being the fair value at the date of revaluation, less accumulated depreciation and impairment loss, if any, recognised after the date of revaluation.

Freehold and leasehold land and properties are revalued by an independent professional valuer regularly 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, 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.

Plant and equipment

All other items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Property, plant and equipment (cont'd)

Recognition and measurement (cont'd)

Plant and equipment (cont'd)

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.

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 (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Property, plant and equipment (cont'd)

Depreciation (cont'd)

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

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

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

3.4 Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets.

Goodwill represents the excess of:

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

Subsequent measurement

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

3.5 Financial instruments

Non-derivative financial assets

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Financial instruments (cont'd)

Non-derivative financial assets (cont'd)

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

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

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

Loans and receivables

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

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

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and 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 form an integral part of the Group's cash management are included in cash and cash equivalents.

Available-for-sale financial assets

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

Unquoted available-for-sale financial asset whose fair value cannot be measured reliably are carried at cost less impairment loss.

Available-for-sale financial assets comprise equity securities.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Financial instruments (cont'd)

Non-derivative financial liabilities

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

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

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

The Group classifies non-derivative financial liabilities in the other financial liabilities category.

Other financial liabilities are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. These financial liabilities comprise loans and borrowings, bank overdrafts, and trade and other payables (excluding deposits received, advance payments received for contracts and deferred revenue).

Share capital

Ordinary shares

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

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

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

Derivative financial instruments

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Leases

When entities within the Group are lessees of a finance lease

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

Determining whether an arrangement contains a lease

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

When entities within the Group are lessees of an operating lease

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

When entities within the Group are lessors of an operating lease

Assets subject to operating leases are included plant and equipment (note 3.3). Rental income receivable under operating leases is recognised in profit or loss on a straight-line basis over the term of the lease.

3.7 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 comprise all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Construction work-in-progress

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

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

3.9 Impairment

Non-derivative financial assets

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

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

Loans and receivables

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Impairment (cont'd)

Available-for-sale financial assets

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

For unquoted shares that are carried at cost less accumulated impairment losses, any impairment loss is recognised on profit or loss. Any subsequent recovery of impairment loss is not reversed.

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 and an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

Non-financial assets

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

The 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Impairment (cont'd)

Non-financial assets (cont'd)

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

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

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

3.10 Employee benefits

Defined contribution plans

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

Short-term employee benefits

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

3.11 Provisions

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Financial guarantee contracts

Financial guarantee contracts are accounted for as insurance contracts and treated as contingent liabilities until such time as they become probable that the Company will be required to make a payment under the guarantee. A provision is recognised based on the Group's estimate of the ultimate cost of settling all claims incurred but unpaid at the reporting date. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

3.13 Revenue

Construction contracts

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Revenue (cont'd)

Trading of building products and plant and equipment

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

Rental income

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

3.14 Government grant

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

3.15 Finance income and finance costs

Finance income comprises mainly interest income on funds invested and imputed interest on non-current amount due from customers for contract works that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

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

3.16 Tax

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 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, associates 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.

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

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.17 Earnings per share

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.18 Segment reporting

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

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

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

3.19 New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 April 2016, and earlier application is permitted; however, the Group has not early applied the following new standards, amended standards and interpretations in preparing these financial statements.

For those new standards and amendments to standards that are expected to have an effect on the financial statements of the Group and the Company in future financial periods, management has assessed the transition options and are gathering the detailed analysis and potential impact on its financial statements. Management provides updates to the Board of Directors on the progress of implementing these standards including the project implementation status and the implementation approach. The Group does not plan to adopt these standards early.

Applicable to 2019 financial statements

FRS 115 Revenue from Contracts with Customers

FRS 115 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.

When effective, FRS 115 replaces existing revenue recognition guidance, including FRS 18 *Revenue*, FRS 11 *Construction Contracts*, INT FRS 113 *Customer Loyalty Programmes*, INT FRS 115 *Agreements for the Construction of Real Estate*, INT FRS 118 T*ransfers of Assets from Customers* and INT FRS 31 *Revenue – Barter Transactions Involving Advertising Services*. FRS 115 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. FRS 115 offers a range of transition options including full retrospective adoption where an entity can choose to apply the standard to its historical transactions and retrospectively adjust each comparative period presented in its 2019 financial statements. When applying the full retrospective method, an entity may also elect to use a series of practical expedients to ease transition.

The Group performed an initial assessment of the impact on the Group's financial statements for its two key revenue streams for the financial year ended 31 March 2017.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.19 New standards and interpretations not yet adopted (cont'd)

Applicable to 2019 financial statements (cont'd)

FRS 115 Revenue from Contracts with Customers (cont'd)

Construction contracts – The Group currently recognises contract revenue by reference to the stage of completion of the contract activity, when the outcome of the construction contract can be estimated reliably. Under FRS 115, revenue is recognised over time as each performance obligation is satisfied. The progress towards complete satisfaction of each performance obligation is measured using appropriate methods, include the output method, which is similar to the Group's current approach. Based on the Group's initial assessment, the Group does not expect any significant adjustments upon adoption of FRS 115.

Trading of building products and plant and equipment – The Group currently recognises 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 FRS 115 and revenue is recognised to the extent that it is highly probable that there will be no significant reversal when the uncertainty is resolved. Based on the Group's initial assessment, the Group does not expect any significant adjustments upon adoption of FRS 115.

Transition - The Group plans to adopt the standard when it becomes effective in 2019 using the full retrospective approach. The Group is currently performing a detailed analysis under FRS 115 to determine its election of the practical expedients and to quantify the transition adjustments, if any, on its financial statements.

FRS 109 Financial Instruments

FRS 109 replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. It includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from FRS 39. It will change the existing accounting standards and guidance applied by the Group and the Company in accounting for financial instruments.

FRS 109 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. Retrospective application is generally required, except for hedge accounting. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. Restatement of comparative information is not mandatory. If comparative information is not restated, the cumulative effect is recorded in opening equity as at 1 January 2018.

The Group performed an initial assessment of the impact on the Group's financial statements for the financial year ended 31 March 2017.

Overall, the Group does not expect a significant change on its opening equity except for the effect of applying the impairment requirements of FRS 109 for which the Group expects to record an increase in impairment loss allowance.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.19 New standards and interpretations not yet adopted (cont'd)

Applicable to 2019 financial statements (cont'd)

FRS 109 Financial Instruments (cont'd)

The Group's initial assessment of the three elements of FRS 109 is as described below.

Classification and measurement – The Group does not expect a significant change to the measurement basis arising from adopting the new classification and measurement model under FRS 109, except for its other investments.

Other investments, which are currently carried at cost less accumulated losses, are held as long-term investments and are expected to be classified as financial assets subsequently measured at fair value through OCI (FVOCI) upon adoption of FRS 109. Under FRS 109, any subsequent fair value changes are recognised in OCI and will not be reclassified to profit or loss even upon divestment.

Loans and receivables that are currently accounted for at amortised cost will continue to be accounted for using amortised cost model under FRS 109.

Impairment – The Group plans to apply the simplified approach and record lifetime expected impairment losses on all trade receivables and any contract assets arising from the application of FRS 115. On adoption of FRS 109, the Group expects an increase in the impairment loss allowance. The Group is currently refining its impairment loss estimation methodology.

Transition – The Group plans to adopt the standard when it becomes effective in 2019 without restating comparative information and is gathering data to quantify the potential impact arising from the adoption.

Convergence with International Financial Reporting Standards ("IFRS")

In addition, the Accounting Standards Council ("**ASC**") announced on 29 May 2014 that Singapore-incorporated companies listed on the Singapore Exchange ("**SGX**") will apply a new financial reporting framework identical to the International Financial Reporting Standards (referred to as SG-IFRS in these financial statements) for the financial year ending 31 December 2018 onwards.

The Group has performed a preliminary assessment of the impact of SG-IFRS 1 *First-time adoption of International Financial Reporting Standards* for the transition to the new reporting framework. Based on the Group's preliminary assessment, the Group expects that the impact on adoption of SG-IFRS 15 *Revenue from Contracts with Customers* and SG-IFRS 9 *Financial Instruments* will be similar to adopting FRS 115 and FRS 109 as described in this note.

The Group is currently performing an analysis of the available policy choices, transitional optional exemptions and transitional mandatory exceptions under SG-IFRS 1 and the preliminary assessment may be subject to changes arising from the detailed analyses.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.19 New standards and interpretations not yet adopted (cont'd)

Applicable to 2020 financial statements

FRS 116 Leases

FRS 116 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.

FRS 116 substantially carries forward the lessor accounting requirements in FRS 17 *Leases*. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the FRS 17 operating lease and finance lease accounting models respectively. However, FRS 116 requires more extensive disclosures to be provided by a lessor. When effective, FRS 116 replaces existing lease accounting guidance, including FRS 17, INT FRS 104 *Determining whether an Arrangement contains a Lease*, INT FRS 15 *Operating Leases – Incentives*, and INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease.*

The Group is currently assessing the potential impact of adopting FRS 116 *Leases*, on the financial statements of the Group. The Group does not plan to adopt these standards early.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

4 PROPERTY, PLANT AND EQUIPMENT

Group	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
Cost/valuation							
At 1 April 2015	–	12,644	118	342,727	12,987	3,365	371,841
Additions	–	585	–	10,438	512	879	12,414
Reclassification from inventories	–	–	–	2,872	–	–	2,872
Disposals/write-offs	–	–	–	(4,613)	(18)	(324)	(4,955)
Transfer to inventories	–	–	–	(8,706)	–	–	(8,706)
Effect of movements in exchange rates	–	(19)	(8)	(3,959)	(67)	(40)	(4,093)
At 31 March 2016	–	13,210	110	338,759	13,414	3,880	369,373
Additions	875	5,287	284	8,894	1,027	557	16,924
Reclassification from inventories	–	–	–	2,260	–	–	2,260
Reclassification	–	(236)	–	34	202	–	–
Revaluation	11	11,817	–	–	–	–	11,828
Elimination of accumulated depreciation against cost on revaluation	–	(2,983)	–	–	–	–	(2,983)
Disposals/write-offs	–	–	–	(7,232)	(2,298)	(149)	(9,679)
Transfer to inventories	–	–	–	(7,421)	–	–	(7,421)
Effect of movements in exchange rates	(34)	5	(19)	(2,599)	(78)	(33)	(2,758)
At 31 March 2017	852	27,100	375	332,695	12,267	4,255	377,544
Accumulated depreciation and impairment losses							
At 1 April 2015	–	1,854	–	172,264	9,223	2,883	186,224
Depreciation	–	369	–	24,539	1,166	399	26,473
Disposals/write-offs	–	–	–	(3,058)	(9)	(323)	(3,390)
Transfer to inventories	–	–	–	(6,428)	–	–	(6,428)
Effect of movements in exchange rates	–	(2)	–	(1,353)	(35)	(28)	(1,418)
At 31 March 2016	–	2,221	–	185,964	10,345	2,931	201,461
Depreciation	–	517	–	25,325	709	390	26,941
Reclassification	–	244	–	(287)	43	–	–
Impairment losses	–	–	–	98	–	–	98
Elimination of accumulated depreciation against cost on revaluation	–	(2,983)	–	–	–	–	(2,983)
Disposals/write-offs	–	–	–	(3,891)	(1,715)	(149)	(5,755)
Transfer to inventories	–	–	–	(5,400)	–	–	(5,400)
Effect of movements in exchange rates	–	1	–	(1,678)	(51)	(19)	(1,747)
At 31 March 2017	–	–	–	200,131	9,331	3,153	212,615
Carrying amounts							
At 1 April 2015	–	10,790	118	170,463	3,764	482	185,617
At 31 March 2016	–	10,989	110	152,795	3,069	949	167,912
At 31 March 2017	852	27,100	375	132,564	2,936	1,102	164,929

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Office equipment, renovations and furniture and fittings $'000	Motor vehicles $'000	Total $'000
Cost			
At 1 April 2015	21	6	27
Additions	47	–	47
Disposals	–	(6)	(6)
At 31 March 2016 and 31 March 2017	68	–	68
Accumulated depreciation			
At 1 April 2015	21	6	27
Depreciation	7	–	7
Disposals	–	(6)	(6)
At 31 March 2016	28	–	28
Depreciation	9	–	9
At 31 March 2017	37	–	37
Carrying amounts			
At 1 April 2015	–*	–*	–*
At 31 March 2016	40	–	40
At 31 March 2017	31	–	31

* Less than $1,000

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

	Group		Company	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Plant and machinery	46,778	66,059	–	–
Office equipment, renovations and furniture and fittings	198	252	31	40
Motor vehicles	620	666	–	–
	47,596	66,977	31	40

(ii) Leasehold land and properties, and plant and machinery of the Group with total carrying amounts of $28,103,000 (2016: $6,894,000) 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 2017

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(iii) Following a change in the accounting policy as described in note 2.5, the Group's freehold and leasehold land and properties were revalued on 31 March 2017 by independent professional valuers. The surplus of $11,828,000 arising from the revaluations have been credited to other comprehensive income and accumulated in equity under revaluation reserve (note 15). The fair value of land and properties has been determined based on the market approach. The valuation model analyses comparable sales of similar land and properties and takes into consideration in-house adjustments made by the valuers on the comparable sale prices of an average of 9.6% to reflect the land and properties of the Group. The fair value measurement is categorised as Level 3 on the fair value hierarchy and estimated fair value would increase/(decrease) if the adjustments and comparable prices were higher/(lower). 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 2017 would have been $16,124,000.

(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 property, 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 CGU's plant and equipment. The recoverable amounts of certain 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 professional valuer at the reporting date. The valuation model analyses comparable sales of similar plant and machinery and takes into consideration in-house adjustments made by the valuer on the comparable sale prices of an average of 8.2% to reflect the plant and equipment of the Group. The fair value measurement is categorised as Level 3 on the fair value hierarchy and estimated fair value would increase/(decrease) if the adjustments and comparable prices were higher/(lower).

As a result of the assessment, a total impairment loss of $98,000 (2016: $Nil) 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

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 (cont'd)

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

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

Classification of assets

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

5 GOODWILL

Group	Goodwill on consolidation $'000
Cost	
At 1 April 2015, 31 March 2016 and 31 March 2017	2,539
Accumulated impairment losses	
At 1 April 2015, 31 March 2016 and 31 March 2017	1,087
Carrying amounts	
At 1 April 2015, 31 March 2016 and 31 March 2017	1,452

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:

	2017 $'000	2016 $'000
Soil Investigation Pte Ltd ("SI")	900	900
Wisescan Engineering Services Pte Ltd ("WES")	552	552
	1,452	1,452

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

5 GOODWILL (CONT'D)

Impairment testing for cash-generating units containing goodwill (cont'd)

The Group has determined the recoverable amounts of SI and WES cash-generating units based on value in use calculations. The value in use was determined by discounting the expected future cash flows generated from the continuing use of each unit. The cash flow projections are based on financial budgets covering a five-year (2016: three to five-year) period.

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

	SI		WES	
	2017	2016	2017	2016
	%	%	%	%
Revenue growth rate	0 – 4.0	0 – 5.0	0 – 20.0	0 – 10.0
Pre-tax discount rate	9.8	9.2	9.8	9.2

The discount rates used are pre-tax and reflect the specific risks relating to the cash-generating unit.

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

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.

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

6 INVESTMENTS IN SUBSIDIARIES

	Company	
	2017	2016
	$'000	$'000
Equity investment, at cost	110,889	102,664
Impairment losses	(8,245)	(8,245)
	102,644	94,419
Shareholder's loan	11,948	11,948
	114,592	106,367

The shareholder's loan is unsecured, interest-free and settlement is neither planned nor likely to occur in the foreseeable future. As the amount is, in substance, a part of the Company's net investment in the subsidiary, it is stated at cost less impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

6 INVESTMENTS IN SUBSIDIARIES (CONT'D)

As at 31 March 2017, certain trade and non-trade amounts due from subsidiaries of $8,225,000 were capitalised and recorded by the Company as increase in cost of investment in the subsidiaries.

Source of estimation uncertainty

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

Details of the subsidiaries are as follows:

Name of subsidiary	Principal activities	Principal place of business/ Country of incorporation	Effective equity interest held by the Group	
			2017 %	2016 %
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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

6 INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiary	Principal activities	Principal place of business/ Country of incorporation	Effective equity interest held by the Group	
			2017 %	2016 %
Held by Company (cont'd)				
# ICE Far East Offshore Pte. Ltd.	Trading and rental of foundation engineering equipment and other related services (currently dormant)	Singapore	46.75	46.75
# IMT-THL India Private Limited	Trading and rental of construction equipment and related parts	India	55	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 (currently dormant)	Myanmar	49.5	–
+ Kolette Pte. Ltd.	Sale and sublet of land and property development (currently dormant)	Singapore	100	100
* CS Geo (Malaysia) Sdn. Bhd.	Piling, foundation and geotechnical engineering works	Malaysia	100	100
+ 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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

6 INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiary	Principal activities	Principal place of business/ Country of incorporation	Effective equity interest held by the Group	
			2017 %	2016 %
Held by Company (cont'd)				
+ Wisescan Engineering Services Pte. Ltd.	Land surveying, tunnel and structural deformation monitoring survey, tunnelling survey	Singapore	70	70
* CSC Ground Engineering Sdn. Bhd. and its subsidiary:	Investment holding	Malaysia	100	100
* Borneo Geotechnic Sdn. Bhd.	Piling, foundation and geotechnical engineering works	Malaysia	100	100
+ 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	Investment holding, property development, property investment, property management and other related activities	Singapore	100	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

7 NON-CONTROLLING INTERESTS

On 31 March 2016, the Group's equity interest in GPSS Geotechnic Sdn. Bhd. ("GPSS") increased from 65% to 100% and GPSS became a wholly-owned subsidiary from that date (note 27(a)). Accordingly, the information relating to GPSS is only for the period from 1 April 2015 to 31 March 2016.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

7 NON-CONTROLLING INTERESTS (CONT'D)

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

Name	Principal place of business/ Country of incorporation	Operating segment	Ownership interests held by NCI	
			2017	2016
			%	%
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 FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	THLFE Group	WES	Intra-group elimination	Total
	$'000	$'000	$'000	$'000
2017				
Revenue	47,439	8,743		
(Loss)/profit	(597)	1,311		
Other comprehensive income	(86)	–		
Total comprehensive income	(683)	1,311		
Attributable to NCI:				
– (Loss)/profit	(240)	393	404	557
– Other comprehensive income	(43)	–	–	(43)
– Total comprehensive income	(283)	393	404	514
Non-current assets	47,975	2,686		
Current assets	47,456	8,257		
Non-current liabilities	(5,930)	(245)		
Current liabilities	(34,001)	(2,932)		
Net assets	55,500	7,766		
Net assets attributable to NCI	25,341	2,330	(1,771)	25,900
Cash flows from operating activities	5,009	1,534		
Cash flows from/(used in) investing activities	614	(600)		
Cash flows used in financing activities (including dividends paid to NCI of $195,000)	(6,579)	(652)		
Net (decrease)/increase in cash and cash equivalents	(956)	282		

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

7 NON-CONTROLLING INTERESTS (CONT'D)

	THLFE Group	GPSS	WES	Intra-group elimination	Total
	$'000	$'000	$'000	$'000	$'000
2016					
Revenue	45,881	93	9,275		
Profit	938	28	1,860		
Other comprehensive income	(469)	(42)	–		
Total comprehensive income	469	(14)	1,860		
Attributable to NCI:					
- Profit	469	10	558	368	1,405
- Other comprehensive income	(249)	(15)	–	–	(264)
- Total comprehensive income	220	(5)	558	368	1,141
Non-current assets	52,084	–	2,447		
Current assets	46,484	–	7,833		
Non-current liabilities	(10,782)	–	(189)		
Current liabilities	(36,889)	–	(2,986)		
Net assets	50,897	–	7,105		
Net assets attributable to NCI	25,478	–	2,132	(2,156)	25,454
Cash flows from operating activities	8,112	4	3,022		
Cash flows (used in)/from investing activities	(816)	176	(463)		
Cash flows used in financing activities (including dividends paid to NCI of $195,000)	(10,290)	(12)	(328)		
Net (decrease)/increase in cash and cash equivalents	(2,994)	168	2,231		

8 INVESTMENT IN AN ASSOCIATE

	Group	
	2017	2016
	$'000	$'000
Unquoted equity instrument, at cost	–*	–
Shareholder's loan	904	–
	904	–

* Less than $1,000

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

8 INVESTMENT IN AN ASSOCIATE (CONT'D)

Details of the associate are as follows:

	Coriolis Hertford Limited[1]
Nature of relationship with the Group	Strategic investor in property development project in United Kingdom
Principal place of business/country of incorporation	Hong Kong
Ownership interest/voting rights held	21%

[1] The associate is not considered to be individually significant.

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-rate return for each day of delay. As the Group is not entitled to any profits other than the 55% return, no share of profits have been recognised for the year.

9 JOINT ARRANGEMENTS

(a) Joint venture

	Group	
	2017	2016
	$'000	$'000
Unquoted equity investment	628	1,342
Shareholder's loan	76	–
	704	1,342

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

9 JOINT ARRANGEMENTS (CONT'D)

(a) Joint venture (cont'd)

Details of the joint ventures are as follows:

Name of joint venture	Principal activities	Nature of relationship with the Group	Principal place of business/ Country of incorporation	Effective equity interest held by the Group	
				2017	2016
				%	%
Held by CS Ground Engineering (International) Pte. Ltd.					
# Siam CSC Engineering Co., Ltd ("SCE")	Piling, foundation and geotechnical engineering works	Strategic partner in providing Jack-In pile installation services in Thailand	Thailand	–	49
Held by CS Real Estate Investments Pte Ltd					
# TOP3 Development Sdn. Bhd. ("TOP3")	Property development	Strategic investment in property development project in Malaysia	Malaysia	40	–

Audited by another firm of certified public accountant.

(i) During the current financial year, the Group disposed of its investment in Siam CSC Engineering Co., Ltd for a total consideration of $1,396,000. As a result, a gain of $179,000 was recognised in the consolidated statement of profit or loss. As at 31 March 2017, the Group received $548,000 and the remaining proceeds of $848,000 will be received in the financial year ending 31 March 2018.

(ii) On 20 May 2016, the Group entered into a Shareholders' Agreement ("SHA") with several parties (collectively, the "JV Partners") to jointly undertake a proposed commercial development in Seremban, Negeri Sembilan, Malaysia. Pursuant to the SHA, 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) to TOP3.

The investment in TOP3 provides an opportunity to diversify the Group's revenue stream and to expand the Group's investment and development portfolio in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

9 JOINT ARRANGEMENTS (CONT'D)

(a) Joint venture (cont'd)

The following table summarises the financial information of the Group's material joint venture, based on its financial statements prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies. The table also includes summarised financial information for the Group's interest in immaterial joint venture, based on the amounts reported in the Group's consolidated financial statements.

2017	**SCE**
	$'000
Revenue	1,659
Loss after tax [a]	(552)
Other comprehensive income	114
Total comprehensive income	(438)

[a] Includes depreciation of $488,000, interest expense of $1,000 and tax credit of $3,000.

	SCE	**Immaterial joint venture**	**Total**
	$'000	**$'000**	**$'000**
Group's interest in net assets of investee at beginning of the year	1,342	–	1,342
Additions during the year	–	669	669
Share of total comprehensive income			
- Loss after tax	(270)	(4)	(274)
- Other comprehensive income	55	(37)	18
	(215)	(41)	(256)
Realisation of unrealised profits on transactions with joint venture	27	–	27
Translation difference	63	–	63
Disposals during the year	(1,217)	–	(1,217)
Carrying amount of interest in investee at end of the year	–	628	628

2016	**SCE**
	$'000
Revenue	3,511
Loss after tax [a]	(293)
Other comprehensive income	(334)
Total comprehensive income	(627)
Non-current assets	3,191
Current assets [b]	2,303
Current liabilities [c]	(2,241)
Net assets	3,253

[a] Includes depreciation of $650,000, interest expense of $1,000 and tax credit of $94,000.
[b] Includes cash and cash equivalents of $977,000.
[c] Includes finance lease liabilities (exclude trade and other payables and tax provision) of $10,000.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

9 JOINT ARRANGEMENTS (CONT'D)

(a) Joint venture (cont'd)

	SCE $'000
Group's interest in net assets of investee at beginning of the year	1,902
Share of total comprehensive income	
- Loss after tax	(144)
- Other comprehensive income	(164)
	(308)
Elimination of unrealised profits on transactions with joint venture	(252)
Carrying amount of interest in investee at end of the year	1,342

According to the joint venture agreement, the Group and the joint venture partner have agreed to make proportionate contribution to increase the share capital of the joint venture when required. There were no other outstanding capital commitment and contingent liabilities as at 31 March 2017 and 31 March 2016.

(b) Joint operation

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

9 JOINT ARRANGEMENTS (CONT'D)

(b) 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	
			2017	2016
			%	%
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 $4,957,000 (2016: $Nil). 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	
	2017	2016
	$'000	$'000
Other investments		
Unquoted shares, at cost	193	193
Shareholder's loan	686	662
	879	855

In 2014, L&M Ground Engineering Sdn Bhd, a 100% owned subsidiary of the Group, had subscribed for ordinary shares equivalent to 5% of the equity interests of THAB Development Sdn Bhd ("THAB") for a cash consideration of $193,000 and granted a shareholder's loan of $1,724,000 to THAB.

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

11 INVENTORIES

	Group	
	2017	2016
	$'000	$'000
Equipment and machinery	13,783	12,273
Spare parts	9,983	10,354
Raw materials	1,491	1,749
	25,257	24,376
Allowance for obsolete inventories	–*	(23)
	25,257	24,353

* Less than $1,000

The cost of inventories recognised in cost of sales amounted to $84,519,000 (2016: $129,436,000).

Included in the above are inventories amounting to $168,000 (2016: $2,561,000) acquired under finance lease agreements (note 17).

As at 31 March 2017, the write down of inventories to net realisable value amounted to $909,000 (2016: $7,000) for the Group. The write down has been included in other operating expenses.

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

	Group	
	2017	2016
	$'000	$'000
At 1 April	23	25
Allowance utilised	(21)	–
Effect of movements in exchange rates	(2)	(2)
At 31 March	–*	23

* Less than $1,000

Source of estimation uncertainty

For the financial year ended 31 March 2017, the Company engaged an independent valuer, to assist management in ascertaining 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 subsequent events.

In general, these evaluation processes require significant judgement and materially affect the carrying amount of inventories at the reporting date. Possible changes in these estimates could result in revisions to the valuation of inventories.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

12 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Non-current assets				
Amount due from customers for contract works	10,544	6,593	–	–
Current assets				
Trade receivables	52,049	61,811	1	–
Impairment losses	(4,410)	(2,906)	–	–
	47,639	58,905	1	–
Amount due from customers for contract works	91,912	109,399	–	–
Impairment losses	(11,269)	(11,471)	–	–
	80,643	97,928	–	–
Other receivables	3,480	3,826	89	151
Amounts owing by:				
– subsidiaries (trade)	–	–	5,719	6,489
– subsidiaries (non-trade)	–	–	20,676	18,517
– a joint venture (trade)	–	1,268	–	–*
– related corporations (trade)	64	760	–	–
– related corporations (non-trade)	–	1	–	–
	131,826	162,688	26,485	25,157
Deposits	4,844	2,791	–	–
Tax recoverable	266	62	–	–
Total current loans and receivables	136,936	165,541	26,485	25,157
Prepayments	351	421	–	–
	137,287	165,962	26,485	25,157

* Less than $1,000

Amount due from customers for contract works include retention monies of $33,770,000 (2016: $40,675,000) related to construction work-in-progress.

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

12 TRADE AND OTHER RECEIVABLES (CONT'D)

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

	Gross 2017 $'000	Impairment losses 2017 $'000	Net 2017 $'000	Gross 2016 $'000	Impairment losses 2016 $'000	Net 2016 $'000
Group						
Not past due	105,761	(107)	105,654	114,721	(93)	114,628
Past due 0 – 30 days	2,487	(4)	2,483	7,905	(98)	7,807
Past due 31– 90 days	6,142	(12)	6,130	10,843	(11)	10,832
Past due 91– 180 days	11,670	(1,505)	10,165	16,020	(1,200)	14,820
Past due 181– 365 days	7,097	(486)	6,611	5,192	(818)	4,374
More than 365 days	30,002	(13,565)	16,437	31,830	(12,157)	19,673
	163,159	(15,679)	147,480	186,511	(14,377)	172,134
Company						
Not past due	26,483	–	26,483	25,155	–	25,155
Past due 0 – 30 days	–	–	–	–	–	–
Past due 31 – 90 days	–	–	–	–	–	–
Past due 91– 180 days	–	–	–	–	–	–
Past due 181– 365 days	–	–	–	–	–	–
More than 365 days	2	–	2	2	–	2
	26,485	–	26,485	25,157	–	25,157

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

	Trade receivables $'000	Amount due from customers for contract works $'000	Total $'000
Group			
2017			
At 1 April	2,906	11,471	14,377
Impairment losses recognised/(reversed)	1,939	(227)	1,712
Impairment losses utilised	(400)	(12)	(412)
Effect of movements in exchange rates	(35)	37	2
At 31 March	4,410	11,269	15,679
2016			
At 1 April	2,065	10,990	13,055
Impairment losses recognised	892	622	1,514
Impairment losses utilised	(51)	(141)	(192)
At 31 March	2,906	11,471	14,377

The impairment losses for the Group 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

12 TRADE AND OTHER RECEIVABLES (CONT'D)

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

Source of estimation uncertainty

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

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

13 CASH AND CASH EQUIVALENTS

		Group		Company	
	Note	2017	2016	2017	2016
		$'000	$'000	$'000	$'000
Cash at bank and in hand		9,619	21,116	398	462
Fixed deposits		8,913	10,452	1,000	5,500
Cash and cash equivalents in the statement of financial position		18,532	31,568	1,398	5,962
Bank overdrafts	17	(4,442)	(5,633)		
Fixed deposit pledged		(1,000)	–		
Cash and cash equivalents in the statement of cash flow		13,090	25,935		

Fixed deposit amounting to $1,000,000 (2016: $Nil) was pledged to a financial institution for finance lease facilities extended by the financial institution to the Group (note 17).

The bank overdrafts are unsecured and guaranteed by the Company.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

14 SHARE CAPITAL

	Group and Company			
	2017		2016	
	No. of shares	$'000	No. of shares	$'000
Issued and fully-paid ordinary shares with no par value:				
At 1 April	2,208,294,581	80,289	1,230,243,725	64,953
Issue of shares from rights issue	–	–	403,241,241	10,081
Exercise of warrants	295,000	3	574,809,615	5,748
Share issuance expenses	–	–	–	(493)
At 31 March	2,208,589,581	80,292	2,208,294,581	80,289

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).

On 24 October 2016, 295,000 shares were issued upon exercise of 295,000 warrants at $0.01 each, pursuant to the Rights cum Warrants Issue. As at 31 March 2017, there were outstanding warrants of 1,441,101,590 (31 March 2016: 1,441,396,590) for conversion into ordinary shares.

There were no buy-back of ordinary shares during the financial year. As at reporting date, the Company held 20,520,000 (2016: 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 the return on capital, which the Group defines as net profit after tax attributable to ordinary shareholders divided by average shareholders' equity excluding non-controlling interests. However, as the Group has suffered losses in 2016 and 2017, return on capital rates have become less meaningful. Hence, the Board has shifted their focus to monitoring capital using a gearing ratio, which is loans and borrowings divided by total equity (including non-controlling interests).

	Group	
	2017	2016
	$'000	$'000
Loans and borrowings (note 17)	85,682	98,403
Total equity	170,844	185,338
Gearing ratio	50%	53%

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

14 SHARE CAPITAL (CONT'D)

Capital management (cont'd)

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. These subsidiaries have complied with these covenants at the reporting date.

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

15 RESERVES

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

	Group		Company	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Capital reserve	17,798	17,798	17,798	17,798
Reserve for own shares	(2,354)	(2,354)	(2,354)	(2,354)
Reserve on consolidation	116	116	–	–
Foreign currency translation reserve	(7,374)	(5,885)	–	–
Revaluation reserve	11,828	–	–	–
Other reserve	(881)	(881)	–	–
Accumulated profits	45,519	70,801	33,959	32,072
	64,652	79,595	49,403	47,516

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

Reserve for own shares comprises the cost of the Company's shares held by the Group (note 14).

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

The foreign currency translation reserve comprises:

(a) Foreign 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

15 RESERVES (CONT'D)

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).

16 SHARE-BASED PAYMENTS

The CSC Performance Share Scheme 2008

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

Other information regarding the PSS Scheme is set out below:

(i) Awards represent the right of a participant to receive fully-paid shares free of charge, upon the participant satisfying the criteria set out in the PSS Scheme.

(ii) The Committee has the absolute discretion on the following in relation to an award:

  (a) select eligible directors and employees to participate in the PSS Scheme;

  (b) determine the number of shares to be offered to each participant; and

  (c) assess the service and performance of the participants.

(iii) All awards are settled by physical delivery of shares.

(iv) The PSS Scheme shall continue to be in force for a maximum period of ten (10) years commencing on the adoption date.

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

17 LOANS AND BORROWINGS

	Group		Company	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Non-current liabilities				
Secured bank loans	11,851	8,502	–	–
Unsecured bank loans	508	1,752	–	–
Finance lease liabilities	9,273	18,204	26	36
	21,632	28,458	26	36

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

17 LOANS AND BORROWINGS (CONT'D)

	Note	Group		Company	
		2017	2016	2017	2016
		$'000	$'000	$'000	$'000
Current liabilities					
Bank overdrafts	13	4,442	5,633	–	95
Bills payable		5,340	11,985	–	–
Secured bank loans		2,191	2,514	–	–
Unsecured bank loans		40,571	33,960	–	–
Finance lease liabilities		11,506	15,853	10	9
		64,050	69,945	10	104

The loans and borrowings are guaranteed by the Company, out of which $9,828,000 (2016: $14,706,000) are guaranteed by the Company and 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 (note 4) with a carrying amount of $26,300,000 (2016: $5,305,000);

(b) a legal mortgage over the Group's plant and machinery (note 4) with a carrying amount of $1,803,000 (2016: $1,589,000);

(c) the Group's plant and machinery acquired under finance lease arrangements (note 4) with a carrying amount of $47,596,000 (2016: $66,977,000);

(d) the Group's inventories acquired under finance lease arrangements (note 11) with a carrying amount of $168,000 (2016: $2,561,000); and

(e) a charge over the Group's fixed deposit (note 13) amounting to $1,000,000 (2016: $Nil).

Finance lease liabilities

Finance leases are payables as follows:

	Future minimum lease payments	Interest	Present value of minimum lease payments
	$'000	$'000	$'000
Group			
2017			
Within one year	12,131	625	11,506
Between one and five years	9,658	385	9,273
	21,789	1,010	20,779
2016			
Within one year	16,931	1,078	15,853
Between one and five years	18,980	776	18,204
	35,911	1,854	34,057

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

17 LOANS AND BORROWINGS (CONT'D)

Finance lease liabilities (cont'd)

	Future minimum lease payments	Interest	Present value of minimum lease payments
	$'000	$'000	$'000
Company			
2017			
Within one year	11	1	10
Between one and five years	28	2	26
	39	3	36
2016			
Within one year	11	2	9
Between one and five years	39	3	36
	50	5	45

Terms and debt repayment schedule

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

			2017		2016	
	Nominal interest rate	Year of maturity	Face value	Carrying amount	Face value	Carrying amount
	%		$'000	$'000	$'000	$'000
Group						
Secured floating rate bank loans	COF, SIBOR and SWAP + 1.75 - 2.41	2018 - 2022	13,999	13,999	10,361	10,361
Secured fixed rate bank loan	2.00 - 2.26	2018	47	43	655	655
Unsecured floating rate bank loans	COF and SOR + 1.25 - 1.75	2018 - 2019	1,733	1,733	5,317	5,317
Unsecured fixed rate bank loans	2.42 - 7.25	2018	39,346	39,346	30,395	30,395
Finance lease liabilities	1.11 - 3.60	2018 - 2022	21,789	20,779	35,911	34,057
Bank overdrafts	PR and BLR + 0.50 - 1.50	On demand	4,442	4,442	5,633	5,633
Bills payable	COF and SWAP + 1.50 - 2.00, prevailing interest rate + margin	2018	5,340	5,340	11,985	11,985
			86,696	85,682	100,257	98,403
Company						
Finance lease liabilities	2.80	2021	39	36	50	45
Bank overdrafts	PR	On demand	–	–	95	95
			39	36	145	140

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

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 2015	Recognised in profit or loss (note 24)	Translation differences	At 31 March 2016	Recognised in profit or loss (note 24)	Translation differences	At 31 March 2017
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group							
Deferred tax assets							
Property, plant and equipment	(1,970)	177	–	(1,793)	233	–	(1,560)
Unutilised tax losses	(254)	87	8	(159)	(810)	–	(969)
Unutilised capital allowances	(2,290)	782	73	(1,435)	170	14	(1,251)
Provisions	(153)	(44)	1	(196)	(66)	19	(243)
Trade and other receivables	(16)	6	–	(10)	–*	–*	(10)
Others	(703)	97	43	(563)	269	18	(276)
Total	(5,386)	1,105	125	(4,156)	(204)	51	(4,309)
Deferred tax liabilities							
Property, plant and equipment	5,956	(738)	(120)	5,098	740	(55)	5,783

* Less than $1,000

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

	Company	
	2017	2016
	$'000	$'000
Deferred tax assets		
Property, plant and equipment	–*	–*
Provisions	19	22
	19	22

* 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		Company	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Deferred tax assets	(252)	(154)	(19)	(22)
Deferred tax liabilities	1,726	1,096	–	–
	1,474	942	(19)	(22)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

19 TRADE AND OTHER PAYABLES

	Group		Company	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Trade payables	56,723	56,980	32	4
Other payables	1,004	415	124	134
Accruals	22,693	28,274	1,060	1,658
Employee benefits	972	1,132	109	125
Amounts owing to:				
– subsidiaries (trade)	–	–	874	1,746
– subsidiaries (non-trade)	–	–	10,554	5,856
– related corporations (trade)	1,265	1,959	–	–
– related corporation (non-trade)	–	50	–	–
Financial liabilities at amortised cost	82,657	88,810	12,753	9,523
Advance payments received for contracts	775	2,030	–	–
Deferred revenue	496	3,530	–	–
Deposits received	1,032	581	–	–
	84,960	94,951	12,753	9,523

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

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

		Group	
	Note	2017	2016
		$'000	$'000
Costs incurred and attributable profits		391,411	439,955
Progress billings		(289,141)	(324,149)
		102,270	115,806
Excess of progress billings over construction work-in-progress		(186)	(186)
Amount due from customers for contract works	12	102,456	115,992
		102,270	115,806

Source of estimation uncertainty

Foreseeable losses

The Group recognises allowance for foreseeable losses in profit or loss when it is probable that total costs will exceed total contract revenue. This assessment process involves significant estimates and uncertainties over factors such as outcome of negotiations with various parties involved in the projects, increase in construction costs and project delays. These uncertainties may result in management's estimates deferring from the future losses that the Group will incur and any changes to the allowance will affect profit or loss in the future years.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

21 PROVISIONS

	Liquidated damages	Rectification costs	Total
	$'000	$'000	$'000
Group			
2017			
At 1 April	8,551	10,247	18,798
Provisions made	654	437	1,091
Provisions utilised	–	(3,966)	(3,966)
Effect of movements in exchange rates	(6)	–	(6)
At 31 March	9,199	6,718	15,917
2016			
At 1 April	5,164	6,903	12,067
Provisions made	3,448	4,533	7,981
Provisions utilised	–	(1,189)	(1,189)
Effect of movements in exchange rates	(61)	–	(61)
At 31 March	8,551	10,247	18,798

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

Liquidated damages

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

Rectification costs

The Group recognised provision for rectification costs based on actual costs to be incurred for completed projects and estimated costs to be incurred for projects that are still ongoing. For projects yet to be completed, the provision is provided by reference to actual historical costs percentage established since this most appropriately reflects the estimated costs for rectification works. It is possible that management's estimates used are not indicative of future rectification costs that it will incur. Any increase or decrease would affect profit or loss in the future years.

Source of estimation uncertainty

The provision recognised represents management's best estimate of the expected future cost required. Significant estimates and assumptions are made in determining the provisions. Those estimates and assumptions deal with uncertainties such as: changes to timing, extent and cost required. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

22 REVENUE

	Group	
	2017	2016
	$'000	$'000
Construction contracts	207,431	340,470
Trading of building products and plant and equipment	33,244	30,314
Rental income	11,685	11,557
	252,360	382,341

Source of estimation uncertainty

As explained in note 3.13, revenue and profit recognition on an uncompleted foundation engineering project is dependent on estimating the total outcome of the foundation engineering contract, as well as the work done to date. Based on the Group's experience and the nature of the foundation engineering activity undertaken, management makes estimates of the costs to complete, rectification and foreseeable costs at each reporting date. In addition, actual outcomes in terms of total costs or revenue may be higher or lower than estimated at the reporting date, which would affect the level of revenue and profit recognised in the current and future years. As at 31 March 2017, the management considered that all costs to complete and revenue can be reliably estimated.

23 FINANCE INCOME AND EXPENSES

	Group	
	2017	2016
	$'000	$'000
Interest income:		
– fixed deposits	181	35
– others	32	510
Imputed interest on non-current amount due from customers for contract works	–	714
Finance income	213	1,259
Interest expense:		
– bank overdrafts	(152)	(96)
– finance leases	(1,200)	(1,772)
– bank loans	(1,622)	(1,464)
– bills payable	(249)	(215)
– others	–	(6)
Imputed interest on non-current amount due from customers for contract works	(620)	–
Finance expenses	(3,843)	(3,553)
Net finance expenses recognised in profit or loss	(3,630)	(2,294)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

24 TAX EXPENSE

	Group	
	2017	2016
	$'000	$'000
Current tax expense		
Current year	2,266	1,798
Over provided in prior years	(489)	(1,071)
	1,777	727
Deferred tax expense		
Origination and reversal of temporary differences	43	173
Under provided in prior years	493	194
	536	367
	2,313	1,094
Reconciliation of effective tax rate		
Loss for the year	(24,725)	(5,466)
Tax expense	2,313	1,094
Share of loss of joint ventures (net of tax)	247	107
Loss before share of results of joint ventures and tax expense	(22,165)	(4,265)
Tax using Singapore tax rate at 17%	(3,768)	(725)
Effect of tax rates in foreign jurisdictions	196	202
Tax exempt income	(93)	(160)
Tax incentives	(466)	(607)
Non-deductible expenses	195	273
Tax losses and deductible temporary differences for which deferred tax assets were not recognised	6,306	3,007
Utilisation of previously unrecognised deferred tax assets	(61)	(19)
Under/(over) provided in prior years	4	(877)
	2,313	1,094

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

	Group	
	2017	2016
	$'000	$'000
Tax losses arising from operations in:		
– Singapore	46,519	23,594
– Others	8,310	6,639
	54,829	30,233
Deductible temporary differences		
– Singapore	55,746	47,697
– Others	4,156	1,792
	59,902	49,489

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

24 TAX EXPENSE (CONT'D)

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which certain subsidiaries of the Group can utilise the benefits therefrom.

On 18 February 2011, the Minister of Finance announced in his Budget Speech a new tax scheme called the Productivity and Innovation Credit Scheme ("PIC"), which allows business that invest in a range of productivity and innovation activities to claim enhanced deductions and/or allowances up to $400,000 of expenditure incurred for each category of activity from years of assessment 2011 to 2018. Accordingly, the tax charge of the Group for the years ended 31 March 2017 and 2016 had been reduced based on the above tax incentive.

25 LOSS FOR THE YEAR

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

	Group	
	2017	2016
	$'000	$'000
Allowance for foreseeable losses reversed on construction work-in-progress	–	(316)
Bad debts written (back)/off	(20)	89
Depreciation of property, plant and equipment included in:		
– cost of sales	26,210	25,727
– administrative expenses	731	746
Directors' remuneration (excluding directors' fees)	629	637
Directors' fees	321	327
Foreign exchange loss	757	291
Gain on disposal of:		
– property, plant and equipment	(1,287)	(959)
– a joint venture	(179)	–
Impairment losses recognised on:		
– property, plant and equipment	98	–
– trade and other receivables	1,712	1,514
Inventories written down	909	7
Inventories written off	–	6
Audit fees paid or payable to:		
– auditors of the Company	462	424
– other auditors	12	7
Non-audit fees paid or payable to:		
– auditors of the Company	103	80
– other auditors	12	58
Operating lease expenses included in:		
– cost of sales	16,702	28,740
– administrative expenses	1,743	1,537
Professional fees paid to a director	30	30
Property, plant and equipment written off	1	15
Provision for liquidated damages	654	3,448
Provision for rectification costs	437	4,533
Salaries, bonus and other costs	53,669	62,310
Contributions to defined contribution plans	3,329	3,307

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

26 LOSS PER SHARE

The calculation of basic loss per share at 31 March 2017 was based on the loss attributable to ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding of 2,187,903,088 (2016: 1,428,405,000), calculated as follows:

(a) Basic loss per share

	Group	
	2017	**2016**
	$'000	**$'000**
Loss attributable to ordinary shareholders	(25,282)	(6,871)

	No. of shares	**No. of shares**
Weighted average number of:		
Issued ordinary shares at beginning of the year	2,208,294,581	1,230,243,725
Rights issue of shares	–	102,462,938
Issue of shares in exercise of warrants	128,507	116,218,337
Ordinary shares held as treasury shares	(20,520,000)	(20,520,000)
Weighted average number of shares used to compute earnings per share	2,187,903,088	1,428,405,000

(b) Diluted loss per share

The calculation of diluted loss per share at 31 March 2017 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 2,187,903,088 (2016: 1,428,405,000), calculated as follows:

	Group	
	2017	**2016**
	$'000	**$'000**
Loss attributable to ordinary shareholders	(25,282)	(6,871)

The weighted average number of ordinary shares (diluted):

	Group	
	2017	**2016**
	No. of shares	**No. of shares**
Weighted average number of:		
Weighted average number of ordinary shares issued and potential shares assuming full conversion	2,187,903,088*	1,428,405,000*

* 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 2017

27 ACQUISITION AND DISPOSAL OF SUBSIDIARIES

There were no acquisitions and disposals of subsidiaries in financial year 2017.

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

(a) GPSS Geotechnic Sdn. Bhd.

On 1 August 2014, the Group entered into a sale of shares agreement to acquire additional 35% equity interest in GPSS Geotechnic Sdn. Bhd. ("GPSS") for a purchase consideration of $169,000 in cash ("the Acquisition"). The Acquisition was completed on 31 March 2016, and following this, the Group's equity interest in GPSS had increased from 65% to 100%.

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

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

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

(b) CS Industrial Land Pte. Ltd.

On 10 December 2015, CS Industrial Land Pte. Ltd., a 100% owned subsidiary of the Group, completed the process of striking off. The strike off does not have any financial impact to the Group.

(c) CS Geotechnic Soil Investigation JV

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

28 FINANCIAL RISK MANAGEMENT

Overview

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

- credit risk
- liquidity risk
- market risk

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

28 FINANCIAL RISK MANAGEMENT (CONT'D)

Overview (cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

28 FINANCIAL RISK MANAGEMENT (CONT'D)

Trade and other receivables

Risk management policy

The Group performs ongoing credit evaluations of its customers' financial condition and generally does not require collateral for trade and other receivables. Cash and fixed deposits are placed with banks and financial institutions which are regulated.

	Group		Company	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Loans and receivables	147,480	172,134	26,485	25,157
Cash and cash equivalents	18,532	31,568	1,398	5,962
	166,012	203,702	27,883	31,119

Exposure to credit risk

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

	Group		Company	
	Carrying amount		Carrying amount	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Singapore	107,747	135,580	23,561	22,979
Malaysia	31,689	32,455	2,923	2,151
Vietnam	3,634	43	–	–
Thailand	2,611	3,231	1	27
Others	1,799	825	–	–
	147,480	172,134	26,485	25,157

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

	Group		Company	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Foundation and geotechnical engineering	133,394	154,077	21,154	19,838
Trading and lease of equipment	13,914	17,613	1	54
Others	172	444	5,330	5,265
	147,480	172,134	26,485	25,157

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

28 FINANCIAL RISK MANAGEMENT (CONT'D)

Liquidity risk

Risk management policy

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 amount due from customers for contract works and trade receivables totalling $138,826,000 (2016: $163,426,000). The liquidity of the Group is primarily dependent on the timely settlement of amount due from customers for contract works and trade receivables. The Group carefully monitors current and expected liquidity requirements to ensure that it maintains sufficient working capital and adequate external financing to meet its liquidity requirements in the short and longer term.

The Group maintains adequate short term facilities totalling approximately $146,559,000 (2016: $194,829,000) that can be drawn down to meet short term financing needs. As at reporting date, $64,664,000 (2016: $73,343,000) 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.

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	Contractual cash flows	Within 1 year	Within 2 to 5 years
	$'000	$'000	$'000	$'000
Group				
2017				
Non-derivative financial liabilities				
Secured bank loans	14,042	14,494	2,269	12,225
Unsecured bank loans	41,079	42,390	41,870	520
Finance lease liabilities	20,779	21,789	12,131	9,658
Bank overdrafts	4,442	4,705	4,705	–
Bills payable	5,340	5,491	5,491	–
Trade and other payables *	82,657	82,657	82,657	–
Recognised financial liabilities	168,339	171,526	149,123	22,403

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

28 FINANCIAL RISK MANAGEMENT (CONT'D)

Liquidity risk (cont'd)

Exposure to liquidity risk (cont'd)

		Cash flows		
	Carrying amount	Contractual cash flows	Within 1 year	Within 2 to 5 years
	$'000	$'000	$'000	$'000
Group				
2016				
Non-derivative financial liabilities				
Secured bank loans	11,016	11,393	2,602	8,791
Unsecured bank loans	35,712	36,837	35,029	1,808
Finance lease liabilities	34,057	35,911	16,931	18,980
Bank overdrafts	5,633	5,923	5,923	–
Bills payable	11,985	12,369	12,369	–
Trade and other payables *	88,810	88,810	88,810	–
Recognised financial liabilities	187,213	191,243	161,664	29,579
Derivative financial instruments				
Forward contracts	69			
– inflow	–	(1,516)	(1,516)	–
– outflow	–	1,585	1,585	–
	69	69	69	–
Company				
2017				
Non-derivative financial liabilities				
Finance lease liabilities	36	39	11	28
Trade and other payables *	12,753	12,753	12,753	–
Intra-group financial guarantee	–	225,621	202,738	22,883
Recognised financial liabilities	12,789	238,413	215,502	22,911
2016				
Non-derivative financial liabilities				
Finance lease liabilities	45	50	11	39
Bank overdrafts	95	99	99	–
Trade and other payables *	9,523	9,523	9,523	–
Intra-group financial guarantee	–	243,128	209,558	33,570
Recognised financial liabilities	9,663	252,800	219,191	33,609

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

28 FINANCIAL RISK MANAGEMENT (CONT'D)

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Group's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

The Group's exposure to changes in interest rates relates primarily to its interest-earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed by the Group on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates. The Group does not use derivative financial instruments to hedge its interest rate risk.

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	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Fixed rate instruments				
Financial assets	8,913	10,452	1,000	5,500
Financial liabilities	(60,168)	(64,107)	(36)	(45)
	(51,255)	(54,655)	964	5,455
Variable rate instruments				
Financial liabilities	(25,514)	(33,296)	–	(95)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, in respect of the fixed rate instruments, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

For the variable rate financial assets and liabilities, a change of 100 basis point ("bp") in interest rate at the reporting date would increase/(decrease) profit or loss (and accumulated profits) (before any tax effect) by the amounts shown below. A decrease in 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 2016.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

28 FINANCIAL RISK MANAGEMENT (CONT'D)

Interest rate risk (cont'd)

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

	Group		Company	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Variable rate financial instruments	(255)	(333)	–	–*

* Less than $1,000

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, Malaysian Ringgit, Chinese Renminbi and Thai Baht. Exposure to foreign currency risk is monitored on an ongoing basis by the Group to ensure that the net exposure is at an acceptable level.

The Group enters into forward exchange contracts with banks from time to time to reduce the adverse impact of foreign exchange risk on the Group's profitability.

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	US dollar	Japanese Yen	Malaysian Ringgit	Chinese Renminbi	Thai Baht
	$'000	$'000	$'000	$'000	$'000	$'000
Group						
2017						
Trade and other receivables	1,540	536	1,133	326	–	843
Cash and cash equivalents	152	1,351	13	3	–	–
Loans and borrowings	(248)	(254)	–	–	–	–
Trade and other payables	(370)	(573)	(35)	(1)	(397)	–
Net exposure	1,074	1,060	1,111	328	(397)	843
2016						
Trade and other receivables	1,018	–	3,268	360	–	730
Cash and cash equivalents	818	81	162	–	–	–
Loans and borrowings	–	(311)	(2,155)	–	–	–
Trade and other payables	(485)	(4,183)	(21)	(2)	(2)	–
Net statement of financial position exposure	1,351	(4,413)	1,254	358	(2)	730
Derivatives	–	(1,516)	–	–	–	–
Net exposure	1,351	(5,929)	1,254	358	(2)	730

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

28 FINANCIAL RISK MANAGEMENT (CONT'D)

Currency risk (cont'd)

Sensitivity analysis

A 10% strengthening of following major currencies against the functional currency of each of the Group's entities at the reporting date would increase/(decrease) profit or loss (and accumulated profits) (before any tax effect) by the amounts shown below. Similarly, a 10% weakening would have had the equal but opposite effect. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2016.

	Profit or loss	
	2017	2016
	$'000	$'000
Group		
Euro	107	135
US dollar	106	(593)
Japanese Yen	111	125
Malaysian Ringgit	33	36
Chinese Renminbi	(40)	–*
Thai Baht	84	73

* 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 2017 and 31 March 2016.

Estimation of fair values

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

Derivatives

The fair value of forward exchange contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual period to maturity of the contract using a risk-free interest rate.

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

The fair values have been determined by discounting the relevant cash flows with current interest rates for similar instruments at the reporting date.

Floating interest rate bank loans

The carrying amounts of floating interest bearing loans, which are repriced within 1 to 6 months from the reporting date, reflect the corresponding fair values.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

28 FINANCIAL RISK MANAGEMENT (CONT'D)

Estimation of fair values (cont'd)

Other financial assets and liabilities

The notional amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, current amount due from customers for contract works, cash and cash equivalents, trade and other payables and short term borrowings) are assumed to approximate their fair values because of the short period to maturity.

Fair values versus carrying amounts

The fair values of the financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	Note	Designated at fair value	Loans and receivables	Other financial liabilities within the scope of FRS 39	Other financial liabilities outside the scope of FRS 39	Total carrying amount	Fair value
		$'000	$'000	$'000	$'000	$'000	$'000
Group							
31 March 2017							
Assets							
Trade and other receivables#	12	–	147,480	–	–	147,480	147,480
Cash and cash equivalents	13	–	18,532	–	–	18,532	18,532
		–	166,012	–	–	166,012	166,012
Liabilities							
Bank overdrafts	17	–	–	(4,442)	–	(4,442)	(4,442)
Bills payable	17	–	–	(5,340)	–	(5,340)	(5,340)
Secured bank loans	17	–	–	(14,042)	–	(14,042)	(14,043)
Unsecured bank loans	17	–	–	(41,079)	–	(41,079)	(41,079)
Finance lease liabilities	17	–	–	–	(20,779)	(20,779)	(19,055)
Trade and other payables*	19	–	–	(82,657)	–	(82,657)	(82,657)
		–	–	(147,560)	(20,779)	(168,339)	(166,616)
31 March 2016							
Assets							
Trade and other receivables#	12	–	172,134	–	–	172,134	172,134
Cash and cash equivalents	13	–	31,568	–	–	31,568	31,568
		–	203,702	–	–	203,702	203,702
Liabilities							
Bank overdrafts	17	–	–	(5,633)	–	(5,633)	(5,633)
Bills payable	17	–	–	(11,985)	–	(11,985)	(11,985)
Secured bank loans	17	–	–	(11,016)	–	(11,016)	(10,936)
Unsecured bank loans	17	–	–	(35,712)	–	(35,712)	(35,712)
Finance lease liabilities	17	–	–	–	(34,057)	(34,057)	(32,179)
Derivatives		(69)	–	–	–	(69)	(69)
Trade and other payables*	19	–	–	(88,810)	–	(88,810)	(88,810)
		(69)	–	(153,156)	(34,057)	(187,282)	(185,324)

Excludes prepayments

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

28 FINANCIAL RISK MANAGEMENT (CONT'D)

Fair values versus carrying amounts (con'td)

	Note	Loans and receivables	Other financial liabilities within the scope of FRS 39	Other financial liabilities outside the scope of FRS 39	Total carrying amount	Fair value
		$'000	$'000	$'000	$'000	$'000
Company						
31 March 2017						
Assets						
Trade and other receivables	12	26,485	–	–	26,485	26,485
Cash and cash equivalents	13	1,398	–	–	1,398	1,398
		27,883	–	–	27,883	27,883
Liabilities						
Finance lease liabilities	17	–	–	(36)	(36)	(33)
Trade and other payables	19	–	(12,753)	–	(12,753)	(12,753)
		–	(12,753)	(36)	(12,789)	(12,786)
31 March 2016						
Assets						
Trade and other receivables	12	25,157	–	–	25,157	25,157
Cash and cash equivalents	13	5,962	–	–	5,962	5,962
		31,119	–	–	31,119	31,119
Liabilities						
Bank overdrafts	17	–	(95)	–	(95)	(95)
Finance lease liabilities	17	–	–	(45)	(45)	(42)
Trade and other payables	19	–	(9,523)	–	(9,523)	(9,523)
		–	(9,618)	(45)	(9,663)	(9,660)

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	
	2017	2016
	%	%
Fixed rate bank loans	1.60 – 7.25	1.75 – 5.75
Finance lease liabilities	1.50 – 3.50	1.17 – 3.50

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 2017

28 FINANCIAL RISK MANAGEMENT (CONT'D)

Fair value hierarchy (cont'd)

	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
Group				
2017				
Financial assets not measured at fair value but for which fair values are disclosed				
Trade and other receivables	–	10,544	–	10,544
Financial liabilities not measured at fair value but for which fair values are disclosed				
Secured bank loans	–	(11,851)	–	(11,851)
Unsecured bank loans	–	(508)	–	(508)
Finance lease liabilities	–	(9,273)	–	(9,273)
	–	(21,632)	–	(21,632)
2016				
Financial assets not measured at fair value but for which fair values are disclosed				
Trade and other receivables	–	6,593	–	6,593
Financial liabilities measured at fair value				
Derivative financial liabilities	–	(69)	–	(69)
Financial liabilities not measured at fair value but for which fair values are disclosed				
Secured bank loans	–	(8,502)	–	(8,502)
Unsecured bank loans	–	(1,752)	–	(1,752)
Finance lease liabilities	–	(18,204)	–	(18,204)
	–	(28,458)	–	(28,458)
Company				
2017				
Financial liabilities not measured at fair value but for which fair values are disclosed				
Finance lease liabilities	–	(26)	–	(26)
2016				
Financial liabilities not measured at fair value but for which fair values are disclosed				
Finance lease liabilities	–	(36)	–	(36)

Transfers between Levels 1, 2 and 3

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

29 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 3 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:

	2017 $'000	2016 $'000
Within 1 year	5,945	5,588
After 1 year but within 5 years	4,248	5,867
After 5 years	9,337	9,912
	19,530	21,367

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

	2017 $'000	2016 $'000
Capital commitment in respect of:		
– acquisition of property, plant and equipment	943	2,258

(c) Operating lease income commitments (as lessor)

There were no operating lease income commitments as at 31 March 2017.

As at 31 March 2016, the Group leased out its plant and machinery. The leases were typically run for an initial period of 1 year, with an option to renew the lease after that date. Lease payments were usually revised at each renewal date to reflect market rentals. None of the leases include contingent rental. As at 31 March 2016, non-cancellable operating lease rental receivables within 1 year amounted to $282,000.

30 CONTINGENT LIABILITIES

On 10 August 2016, the Group has received a writ of summons filed by a main contractor relating to $4.7 million damages arising from and/or due to an alleged wrongful repudiation of a piling subcontract by the Group. Based on legal advice obtained, the Group is of the opinion that they have a valid defence against the claim and have filed a counterclaim against the main contractor for loss of profits. The Group has determined that the possibility of any outflow in settlement is remote. Provision of legal fees amounting to $0.5 million has been recorded as at 31 March 2017. The Group does not expect the outcome to have material effect on the Group's financial position.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

31 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	
	2017	2016
	$'000	$'000
Short-term employee benefits	6,356	6,742
Post employment benefits	376	367
	6,732	7,109

The aggregate value of transactions related to key management personnel over which they have control or significant influence are as follows:

		Transaction value for the year ended	
	Note	2017	2016
		$'000	$'000
Professional fees	25	30	30

Other related party transactions

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

	Group	
	2017	2016
	$'000	$'000
Companies in which a substantial shareholder of the Group has substantial financial interests		
Revenue from foundation engineering works	49	896
Revenue from rental and service income	129	328
Sale of plant and equipment	810	720
Rental and operating lease expenses	(2,624)	(3,927)
Purchase of plant and equipment	(1,036)	(1,101)
Upkeep of machinery and equipment expenses	(63)	(83)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

31 RELATED PARTIES (CONT'D)

Other related party transactions (cont'd)

	Group	
	2017	2016
	$'000	$'000
Firm in which a director of the Group has substantial financial interests		
Service fee paid	–	(49)
Joint venture		
Revenue from rental and service income	–	27
Sale of plant and equipment	–	154

32 SEGMENT REPORTING

(a) Business segments

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different marketing strategies. For each of the strategic business units, the Group's Executive Committee reviews the internal management reports on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

Foundation and geotechnical engineering: Includes civil engineering, piling, foundation and geotechnical engineering, soil investigation, land surveying and other related services.

Sales and lease of equipment: Sales and rental of foundation engineering equipment, machinery and spare parts

Other operations include the sale and sublet of land, property development and fabrication, repair and maintenance services for heavy machinery. None of these segments meet any of the quantitative thresholds for determining reportable segments in 2017 or 2016.

The bases of measurement of the reportable segments are in accordance with the Group's accounting policies.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's Executive Committee. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

32 SEGMENT REPORTING (CONT'D)

(a) Business segments (cont'd)

Information about reportable segments

	Foundation and geotechnical engineering		Sales and lease of equipment		Others		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
External revenue	207,953	341,249	44,407	41,092	–	–	252,360	382,341
Inter-segment revenue	22,238	69,068	6,843	10,259	–	–	29,081	79,327
Finance income	202	1,251	11	8	–	–	213	1,259
Finance expenses	(2,522)	(2,128)	(1,283)	(1,425)	(38)	–	(3,843)	(3,553)
Reportable segment (loss)/profit before tax	(23,519)	(6,876)	565	1,591	(225)	(53)	(23,179)	(5,338)
Share of loss of joint ventures	(244)	(107)	–	–	(3)	–	(247)	(107)
Reportable segment assets	255,308	295,853	87,777	91,433	14,010	5,194	357,095	392,480
Investments in:						–		
– an associate	–	–	–	–	904	–	904	–
– a joint venture	–	1,342	–	–	704	–	704	1,342
Capital expenditure	10,479	9,159	1,160	2,687	5,285	568	16,924	12,414
Reportable segment liabilities	144,349	167,313	34,222	42,691	6,813	342	185,384	210,346
Other material items								
Allowance for foreseeable losses reversed on construction work-in-progress	–	316	–	–	–	–	–	316
Depreciation of property, plant and equipment	(23,144)	(23,087)	(3,666)	(3,386)	(131)	–	(26,941)	(26,473)
Impairment losses recognised on:								
– property, plant and equipment	–	–	(98)	–	–	–	(98)	–
– trade and other receivables	(1,001)	(1,432)	(711)	(82)	–	–	(1,712)	(1,514)
Gain/(loss) on disposal of:								
– property, plant and equipment	1,402	625	(115)	334	–	–	1,287	959
– a joint venture	179	–	–	–	–	–	179	–
Inventories written down	–	–	(909)	(7)	–	–	(909)	(7)
Provision for liquidated damages	(654)	(3,448)	–	–	–	–	(654)	(3,448)
Provision for rectification costs	(437)	(4,533)	–	–	–	–	(437)	(4,533)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

32 SEGMENT REPORTING (CONT'D)

(a) Business segments (cont'd)

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

	2017 $'000	2016 $'000
Profit or loss		
Total profit or loss for reportable segments	(22,954)	(5,285)
Profit or loss for other segments	(225)	(53)
	(23,179)	(5,338)
Elimination of inter-segment transactions	5,985	6,387
Unallocated amount:		
– other corporate expenses	(4,971)	(5,314)
Share of loss of joint ventures	(247)	(107)
Consolidated loss before tax	(22,412)	(4,372)
Assets		
Total assets for reportable segments	343,085	387,286
Assets for other segments	14,010	5,194
	357,095	392,480
Investments in:		
– an associate	904	–
– a joint venture	704	1,342
Deferred tax assets	252	154
Tax recoverable (under trade and other receivables)	266	62
Other unallocated amounts	1,519	6,153
Consolidated total assets	360,740	400,191
Liabilities		
Total liabilities for reportable segments	178,571	210,004
Liabilities for other segments	6,813	342
	185,384	210,346
Deferred tax liabilities	1,726	1,096
Current tax payable	1,425	1,350
Other unallocated amounts	1,361	2,061
Consolidated total liabilities	189,896	214,853

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

32 SEGMENT REPORTING (CONT'D)

(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	Malaysia	Thailand	Vietnam	Other regions	Consolidated
	$'000	$'000	$'000	$'000	$'000	$'000
2017						
Revenue from external customers	169,303	60,465	16,224	4,288	2,080	252,360
Non-current assets	135,342	18,089	8,757	51	6,629	168,868
2016						
Revenue from external customers	309,154	61,649	9,027	–	2,511	382,341
Non-current assets	135,858	18,611	10,549	72	6,471	171,561

Non-current assets presented consist of property, plant and equipment, goodwill, investments in an associate, a joint venture and other investments.

(c) Major customers

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

33 COMPARATIVE INFORMATION

During the current financial year, the Company designated certain amounts receivable from subsidiaries as shareholder's loan to reflect more appropriately the quasi-equity nature of these receivables, as designated. Comparative amounts in the Company's statement of financial position were restated for consistency.

	As previously reported	Amount reclassified	As restated
	$'000	$'000	$'000
Company			
Statement of financial position			
Non-current assets			
Investment in subsidiaries	94,419	11,948	106,367
Current assets			
Trade and other receivables	37,105	(11,948)	25,157

This reclassification has no impact on the Group's results or the basic and diluted earnings per share.

SHAREHOLDINGS STATISTICS

As at 12 June 2017

Class of equity security	:	Ordinary Shares
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 12 June 2017, 45.33% 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	0.49	1,368	0.00
100 - 1,000	211	2.08	166,201	0.01
1,001 - 10,000	3,004	29.69	22,437,274	1.01
10,001 - 1,000,000	6,747	66.68	510,158,172	23.10
1,000,001 and above	107	1.06	1,675,826,566	75.88
	10,119	100.00	2,208,589,581	100.00

TOP 20 SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	% *
1	Citibank Nominees Singapore Pte Ltd	662,591,303	30.28
2	Phillip Securities Pte Ltd	508,084,218	23.22
3	Chiu Hong Keong or Khoo Yok Yee	126,285,900	5.77
4	DBS Nominees Pte Ltd	23,959,570	1.10
5	OCBC Securities Private Ltd	21,348,065	0.98
6	Ong Kian Kok	15,460,000	0.71
7	UOB Kay Hian Pte Ltd	14,259,266	0.65
8	Maybank Kim Eng Securities Pte Ltd	13,494,866	0.62
9	United Overseas Bank Nominees Pte Ltd	12,998,158	0.59
10	HSBC (Singapore) Nominees Pte Ltd	10,033,332	0.46
11	Poh Chee Kuan Or Luo Taohong	9,529,333	0.44
12	CIMB Securities (S) Pte Ltd	7,886,948	0.36
13	Ting Lay Choon	7,287,300	0.33
14	OCBC Nominees Singapore Pte Ltd	7,276,745	0.33
15	Raffles Nominees (Pte) Ltd	6,933,866	0.32
16	Lee Chin Chye	6,280,000	0.29
17	Tan Ee Ping	6,089,333	0.28
18	Chee Teck Kwong Patrick	5,949,333	0.27
19	Lim Chee San	5,800,000	0.27
20	Suey Hueh King	5,355,600	0.24
		1,476,903,136	67.51

* The percentage of shareholdings was computed based on the issued share capital of the Company as at 12 June 2017 of 2,188,069,581 shares (which excludes 20,520,000 shares which are held as treasury shares representing approximately 0.94% of the total number of issued shares excluding treasury shares).

SHAREHOLDINGS STATISTICS

As at 12 June 2017

SUBSTANTIAL SHAREHOLDERS

	No. of Shares			
	Direct Interest	%	Deemed Interest	% [1]
TH Investments Pte Ltd [2]	–	–	1,036,477,309	47.37
Chwee Cheng & Sons Pte Ltd [2]	–	–	1,036,477,309	47.37
Ng San Tiong [2][3]	–	–	1,048,753,308	47.93
Ng Sun Ho Tony [2]	–	–	1,036,477,309	47.37
Ng San Wee David [2]	–	–	1,036,477,309	47.37
Ng Sun Giam Roger [2]	–	–	1,036,477,309	47.37

Notes:

(1) The percentage of shareholdings was computed based on the issued share capital of the Company as at 12 June 2017 of 2,188,069,581 shares (which excludes 20,520,000 shares which are held as treasury shares representing approximately 0.94% of the total number of issued shares excluding treasury shares).

(2) TH Investments Pte Ltd is a wholly-owned subsidiary of Tat Hong Investments Pte Ltd, which is a wholly-owned subsidiary of Chwee Cheng & Sons Pte Ltd. Being joint trustees of the Chwee Cheng Trust, each of the Trustees, Mr. Ng San Tiong, Mr. Ng Sun Ho Tony, Mr. Ng San Wee David and Mr. Ng Sun Giam Roger, is deemed to be interested in 1,036,477,309 Shares held by TH Investments Pte Ltd.

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

ANALYSIS OF WARRANTHOLDINGS

Size of Warrantholdings	No. of Warrantholders	%	No. of Warrants	%
1 - 99	18	2.08	810	0.00
100 - 1,000	6	0.69	3,665	0.00
1,001 - 10,000	18	2.08	134,825	0.01
10,001 - 1,000,000	732	84.43	142,556,640	9.89
1,000,001 and above	93	10.73	1,298,405,650	90.10
	867	100.00	1,441,101,590	100.00

TOP 20 WARRANTHOLDERS

S/No.	Name of Warrantholder	No. of Warrants	%
1	Chiu Hong Keong or Khoo Yok Yee	378,813,500	26.29
2	Citibank Nominees Singapore Pte Ltd	326,182,885	22.63
3	UOB Kay Hian Pte Ltd	133,086,330	9.24
4	DBSN Services Pte Ltd	40,000,000	2.78
5	Ong Kian Kok	25,000,000	1.73
6	Lin Qian Jun	20,000,000	1.39
7	Ong Tiew Siam	15,000,000	1.04
8	DBS Vickers Securities (S) Pte Ltd	13,550,000	0.94
9	Seah Tee Peng @ Sia Tee Peng	12,920,000	0.90
10	Poh Chee Kuan or Luo Taohong	11,911,665	0.83
11	Phua Soo Sing Roy	11,835,000	0.82
12	HSBC (Singapore) Nominees Pte Ltd	11,416,725	0.79
13	Soh Cheng Geek	11,400,000	0.79
14	Soh Kay Min	11,000,000	0.76
15	Chua Leong Hai @ Chua Leang Hai	10,000,000	0.69
16	Wee Siew Tin	10,000,000	0.69
17	Maybank Kim Eng Securities Pte Ltd	9,618,465	0.67
18	Raffles Nominees (Pte) Ltd	8,802,080	0.61
19	Tan Ee Ping	7,611,665	0.53
20	Chee Teck Kwong Patrick	7,436,665	0.52
		1,075,584,980	**74.64**

NOTICE OF 20TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 20th 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, 26 July 2017 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 2017 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 Director of the Company, remain as a member of the Risk Management, Audit and Remuneration Committees and will be considered non-independent.

3. 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 3)**

4. To approve the payment of Directors' Fees of $321,000 for the year ending 31 March 2018. **(Resolution 4)**

5. 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:

6. **Authority to issue shares**

   "That pursuant to Section 161 of the Companies Act and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors of the Company be authorised and empowered to:-

   (a) (i) issue shares in the Company ("shares") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

   (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force,

provided that:

NOTICE OF 20TH ANNUAL GENERAL MEETING

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares (excluding Treasury Shares) in the capital of the Company (as calculated in accordance with sub-paragraph (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) 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-rate renounceable rights issue shall not exceed one hundred per cent (100%) of the total number of issue shares (excluding treasury shares) 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) shall be based on the total number of issued shares (excluding Treasury Shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of any convertible securities;

(b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

(c) any subsequent bonus issue, consolidation or subdivision of shares;

(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 5)**

[See Explanatory Note (i)]

7. **Authority to offer and grant awards under The CSC Performance Share Scheme**

"That pursuant to Section 161 of the Companies Act, the Directors of the Company be and are hereby authorized and empowered to offer and grant awards in accordance with the provisions of the CSC Performance Share Scheme (the "PSS Scheme") and to issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the vesting of awards under the PSS Scheme, whether granted during the subsistence of this authority or otherwise, provided always that the total aggregate number of additional ordinary shares to be issued pursuant to the PSS Scheme and such other share-based incentive scheme of the Company shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier."

(Resolution 6)

[See Explanatory Note (ii)]

NOTICE OF 20TH ANNUAL GENERAL MEETING

By Order of the Board

Lee Quang Loong
Company Secretary

Singapore
11 July 2017

Explanatory Notes:

(i) The Ordinary Resolution 5 in item 6 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding Treasury Shares) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to 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) provided that the pro-rata renounceable rights shares must be listed and issued no later than 31 December 2018.

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.

(ii) The Ordinary Resolution 6 in item 7 above, if approved, will empower the Directors of the Company, from the date of this Meeting until the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to offer and grant awards in accordance with the provisions of the PSS Scheme and to deliver from time to time such number of new shares as may be required to be delivered pursuant to the vesting of the awards under the PSS Scheme subject to the maximum number of shares prescribed under the terms and conditions of the PSS Scheme. The number of new shares to be issued under the PSS Scheme and such other share-based incentive scheme of the Company shall not exceed 15% of the total number of issued shares (excluding Treasury Shares) in the capital of the Company from time to time.

Notes:

1 (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM.

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

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

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

3. The instrument appointing a proxy must be deposited at the Registered Office of the Company at No. 2 Tanjong Penjuru Crescent, Singapore 608968 not less than forty-eight (48) hours before the time appointed for holding the AGM.

NOTICE OF 20TH 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.

This page has been intentionally left blank

This page has been intentionally left blank

This page has been intentionally left blank

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 11 July 2017.

I/We, _____ (Name)

of _____ (Address)

being a member/members of **CSC HOLDINGS LIMITED** (the "Company"), hereby appoint:

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

and/or (delete as appropriate)

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the 20th Annual General Meeting (the "Meeting") of the Company to be held at the 4th Floor, No. 2 Tanjong Penjuru Crescent, Singapore 608968 on Wednesday, 26 July 2017 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 2017		
2	Re-election of Mr Teo Beng Teck as a Director		
3	Re-appointment of KPMG LLP as Auditors		
4	Approval of Directors' Fees amounting to $321,000, for the financial year ending 31 March 2018		
5	Authority to issue shares		
6	Authority to offer and grant awards under The CSC Performance Share Scheme		

Dated this _____ day of _____ 2017

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

1st fold here

Notes :

1. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares entered against his name in the Depository Register and registered in his name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by the member.

2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

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

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of Companies Act, Chapter 50.

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

4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at No. 2 Tanjong Penjuru Crescent, Singapore 608968 not less than 48 hours before the time appointed for the Meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of its attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50.

2nd fold here

Affix
Postage
Stamp

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

3rd fold here

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.

Designed and Produced by **Rockstar Atelier**

YOUR PARTNER IN
GROUND
ENGINEERING

STAYING RELEVANT

THROUGH INNOVATION

CSC HOLDINGS LIMITED ANNUAL REPORT 2017

CSC HOLDINGS LIMITED
(199707845E)

No. 2 Tanjong Penjuru Crescent Singapore 608968
Telephone : +65 6367 0933, Fascimile : +65 6367 0911
Email : corp@cschl.com.sg

www. cschl.com.sg