



FINANCIAL STATEMENT ANNOUNCEMENT FOR THE TWELVE MONTHS ENDED 31 MARCH 2006

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Income Statement for the 12 months ended 31 March 2006

	Note	Group		
		12 months ended 31-Mar-06	12 months ended 31-Mar-05	Change
		S\$'000	S\$'000	%
Revenue		107,252	76,915	39.4
Cost of sales		(93,155)	(66,184)	40.8
Gross profit		14,097	10,731	31.4
Other operating income	A	833	202	312.4
Distribution expenses		(124)	(92)	34.8
Administrative expenses		(716)	(590)	21.4
Other operating expenses	B	(7,417)	(6,799)	9.1
Finance costs		(1,872)	(1,503)	24.6
Share of results of an associate		(13)	373	(103.5)
Profit from operations before taxation		4,788	2,322	106.2
Income tax expense	D	(408)	(226)	80.5
Profit for the year		4,380	2,096	109.0
Attributable to:				
Equity holders of the Company		3,796	2,096	81.1
Minority interest		584	-	NM
Profit for the year		4,380	2,096	

NM - Not meaningful.

1(a)(ii) Notes to Income Statement

The Group is reporting its full year results for the period from 1 April 2005 to 31 March 2006 with comparative figures for the 12 months period from 1 April 2004 to 31 March 2005. Comparative figures in the statements for the previous financial year have been reclassified to conform to current year's presentation.

	Group	
	12 months ended 31/03/2006 S\$'000	12 months ended 31/03/2005 S\$'000
A Other operating income		
Exchange gain/(loss)	100	(48)
Fixed deposit interest	44	13
Gain/(Loss) on disposal of property, plant and equipment	123	(32)
Loss on redemption of loan stock	-	(39)
Other income	293	234
Project management fees	163	60
Net gain on remeasurement of long term receivables fair values through profit and loss	82	-
Rental income	28	14
	<u>833</u>	<u>202</u>
B Operating expenses		
Operating expenses include the following items:		
Allowance made /(reversed) for doubtful receivables	70	(9)
Allowance made/(reversed) for inventory obsolescence	36	(376)
Bad debt written off	18	13
Depreciation and amortisation (Note C)	452	921
Impairment loss on quoted equity shares	1	-
	<u>577</u>	<u>549</u>
C Depreciation and amortisation		
Charged under cost of sales:		
(a) Depreciation of plant and machinery	<u>2,234</u>	<u>2,110</u>
Charged under operating expenses:		
(b) Depreciation of office equipment, furniture and fittings, leasehold land and building	199	508
(c) Amortisation of discount of loan stock	1	31
(d) Amortisation of lease prepayment	252	252
(e) Amortisation of goodwill	-	130
	<u>452</u>	<u>921</u>
	<u>2,686</u>	<u>3,031</u>

D Income tax expense

	Group	
	12 months ended 31/03/2006 S\$'000	12 months Ended 31/03/2005 S\$'000
Current tax expense	110	-
Deferred tax expense	555	663
Overprovision of tax in prior year	(257)	(437)
	<u>408</u>	<u>226</u>

E Interested persons transactions

Interested persons transactions carried out during the 12 months ended 31 March 2006 under Chapter 9 of the Listing Manual are as follows:-

Name of interested person	Aggregate value of all interested person transactions during the period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
(1) Tat Hong Heavyequipment (Pte.) Ltd.	NIL	S\$3,540,000
(1) Tat Hong Plant Leasing Pte Ltd	NIL	\$400,000
(1) Tat Hong Machinery Pte Ltd	NIL	S\$909,000
(2) CMC Construction Pte Ltd	NIL	\$1,845,000

Note:

(1) Tat Hong Heavyequipment (Pte.) Ltd., Tat Hong Plant Leasing Pte Ltd and Tat Hong Machinery Pte Ltd are subsidiaries of Tat Hong Holdings Ltd, a substantial shareholder of the Company.

(2) CMC Construction Pte Ltd is a subsidiary of TH Investments Pte Ltd, a substantial shareholder of the Company.

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Balance Sheets as at 31 March 2006

DESCRIPTION	Note	Group		Company	
		31-Mar-06	31-Mar-05	31-Mar-06	31-Mar-05
		S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets					
Property, plant and equipment	1	15,432	38,764	-	-
Lease prepayment		1,007	1,259	-	-
Long-term progress billings receivables		1,639	3,450	-	-
Land held for development		4,643	4,670	-	-
Investment in subsidiaries		-	-	29,752	16,391
Interest in an associate		2,153	1,166	1,000	-
Financial assets		28	30	-	-
Goodwill on consolidation		314	314	-	-
Deferred tax assets		615	1,170	-	-
		25,831	50,823	30,752	16,391
Assets classified as held for sale	1	23,962	-	-	-
Current assets					
Inventories	2	14,292	9,486	-	-
Trade receivables		7,515	4,343	-	-
Progress billings receivables		26,794	20,623	-	-
Other receivables, deposits and prepayments		2,606	1,742	669	17
Land held for sale		10,479	10,438	-	-
Loan to a related corporation		315	-	-	-
Amount due from related parties		493	1,027	22,639	34,865
Cash and cash equivalents		5,551	3,631	333	177
		68,045	51,290	23,641	35,059
Total assets		117,838	102,113	54,393	51,450
Equity attributable to equity holders of the Company					
Share capital		32,743	8,899	32,743	8,899
Share premium		-	23,844	-	23,844
Capital reserves		18,168	18,168	18,168	18,168
Reserve on consolidation		117	117	-	-
Currency translation reserves		118	129	-	-
Accumulated profit/(losses)		731	(2,901)	(7,074)	(6,418)
		51,877	48,256	43,837	44,493
Minority interest		1,728	-	-	-
Total equity		53,605	48,256	43,837	44,493
Non-current liabilities					
Trade payables		51	-	-	-
Loan from a shareholder		-	576	-	-
Obligations under finance leases		6,619	2,925	-	-
Loans and borrowings (secured)		10,216	13,130	3,380	5,181
		16,886	16,631	3,380	5,181
Current liabilities					
Bank overdraft (secured)		1,962	1,118	931	-
Trade and other payables		32,636	25,255	430	427
Excess of progress billings over construction work-in-progress	3	2,091	2,328	-	-
Amount due to related parties		1,858	1,008	4,775	1,349
Loan from a shareholder		1,107	1,739	-	-
Current portion of obligations under finance leases		2,605	1,194	-	-
Loans and borrowings (secured)		4,650	3,978	1,040	-
Provision for taxation		438	606	-	-
		47,347	37,226	7,176	1,776
Total liabilities		64,233	53,857	10,556	6,957
Total equity and liabilities		117,838	102,113	54,393	51,450

1(b)(i) Notes to Balance Sheet

1 Property, plant and equipment

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

	Group	
	2006	2005
	S\$'000	S\$'000
<u>Cost/Valuation</u>		
Opening balance	62,411	58,678
Additions	3,674	4,021
Disposals	(1,162)	(288)
Transfer to assets held for sale ⁽¹⁾	(29,483)	-
Closing balance	<u>35,440</u>	<u>62,411</u>
<u>Accumulated depreciation and impairment losses</u>		
Opening balance	23,647	21,191
Additions	2,433	2,618
Disposals	(551)	(162)
Transfer to assets held for sale	(5,521)	-
Closing balance	<u>20,008</u>	<u>23,647</u>
Carrying amount as at 31 March	<u>15,432</u>	<u>38,764</u>

(1) As at 31 March 2006,

- (a) the Group has granted a call option for the sale and lease-back of the leasehold land and property, which is expected to be completed in June 2006, and
- (b) the Group has entered into a joint venture agreement with foreign parties and it was agreed that the joint venture would acquire certain plant and machineries from a subsidiary subsequent to the balance sheet date.

In view of the foregoing, property, plant and equipment of S\$23,961,992 in total were presented as Assets classified as held for sale.

2. Inventories

	Group	
	As at	As at
	31/03/2006	31/03/2005
	S\$'000	S\$'000
Equipment and machinery	11,023	4,378
Spare parts	597	1,992
Raw materials	2,584	2,976
Finished goods	124	140
	<u>14,328</u>	<u>9,486</u>
Allowance for inventory obsolescence	(36)	-
	<u>14,292</u>	<u>9,486</u>

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

	Group	
	As at 31/03/2006 S\$'000	As at 31/03/2005 S\$'000
Cost incurred and attributable profit	208,652	153,402
Allowance for foreseeable losses	(1,327)	(1,663)
	<u>207,325</u>	<u>151,739</u>
Progress billings	(209,416)	(154,067)
Excess of progress billings over construction work-in-progress	<u>(2,091)</u>	<u>(2,328)</u>

1(b)(ii) Aggregate amount of Group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31/03/2006	
Secured	Unsecured
S\$'000	S\$'000
12,997	-

As at 31/03/2005	
Secured	Unsecured
S\$'000	S\$'000
8,222	-

Amount repayable after one year

As at 31/03/2006	
Secured	Unsecured
S\$'000	S\$'000
16,835	-

As at 31/03/2005	
Secured	Unsecured
S\$'000	S\$'000
16,055	-

Details of any collateral

Included in Group's secured borrowings repayable within one year are trust receipts amounting to \$3,779,768 (31 March 2005: \$1,932,040).

The overdraft, trust receipts, hire purchase payables and term loan facilities are secured by legal mortgages over the Group's assets listed below and corporate guarantees by the Company:

- a) Leasehold land and buildings and the wire mesh machinery;
- b) Industrial land held for development and for sale;
- c) Fixed and floating charge on assets of certain subsidiaries; and
- d) Fixed deposits of a subsidiary.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flows for the 12 months ended 31 March 2006

	12 months ended <u>31-Mar-06</u> S\$'000	12 months ended <u>31-Mar-05</u> S\$'000
Operating activities		
Profit from operations before taxation	4,788	2,322
Adjustments for:		
Depreciation of property, plant and equipment	2,433	2,618
Amortisation of:		
- discount on loan stock	1	31
- lease prepayment	252	252
- goodwill	-	130
Impairment loss on quoted equity shares	1	8
Loss on redemption of loan stock	-	39
Allowance made/(reversed) for:		
- inventory obsolescence	36	(376)
- foreseeable losses	848	388
- doubtful trade and other receivables	70	(9)
(Gain)/Loss on disposal of plant and equipment	(123)	33
Share of results of an associate	13	(373)
Interest income	(44)	(13)
Interest expense	1,696	1,472
Net gain on remeasurement of long term receivables at fair values through profit and loss	(82)	-
Operating profit before working capital changes	9,889	6,522
Changes in working capital:		
Inventories	1,142	(268)
Trade and other receivables	(10,090)	6,349
Land held for resale	(13)	-
Loan to a related corporation	(315)	-
Trade and other payables	8,437	(3,612)
Cash generated from operations	9,050	8,991
Income tax paid	(27)	(111)
Interest received	44	13
Interest paid	(1,854)	(1,609)
Cash flows from operating activities	7,213	7,284
Investing activities		
Purchase of property, plant and equipment	(1,630)	(1,991)
Proceeds from disposal of plant and equipment	734	93
Increase in fixed deposit	(31)	(13)
Cash flows from investing activities	(927)	(1,911)
Financing activities		
Repayment of loan from a shareholder	(1,208)	(690)
Repayment of long-term loans	(2,244)	(3,525)
Amount due from related company	-	(5)
Repayment of finance lease obligations	(1,838)	(1,779)
Proceeds from issue of shares to a minority shareholder	59	-
Decrease in cash held in trustee account	19	1,202
Cash flows from financing activities	(5,212)	(4,797)
Net increase in cash and cash equivalents	1,074	576
Cash and cash equivalents at beginning of the year	992	416
Effect of exchange rate changes on balances held in foreign currency	(11)	-
Cash and cash equivalents at end of the year	2,055	992
Comprising:		
Cash and bank balances	5,551	3,631
Bank overdrafts (secured)	(1,962)	(1,117)
	3,589	2,514
Less:		
Fixed deposits pledged as security for bank facilities	(1,534)	(1,503)
Cash held in trustee account for redemption of loan stock	-	(19)
	2,055	992

Significant non-cash transaction:

During the financial year, the Group acquired plant and equipment with an aggregate cost of S\$3.6 million (31 March 2005: S\$4.0 million) of which S\$2.0 million (31 March 2005: S\$2.1 million) were acquired by means of finance leases. Cash payment of S\$1.6 million (31 March 2005: S\$1.9 million) were made to purchase property, plant and equipment.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity for the year ended 31 March 2006

Group	Share capital	Share premium	Capital reserves	Reserve on consolidation	Currency translation reserve	Accumulated losses/profit	Total attributable to equity holders of the Company	Minority interest	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 April 2004	8,899	23,844	18,168	117	111	(4,997)	46,142	-	46,142
Exchange difference on translation of financial statements of foreign subsidiaries	-	-	-	-	18	-	18	-	18
Net profit for the year	-	-	-	-	-	2,096	2,096	-	2,096
At 31 March 2005	8,899	23,844	18,168	117	129	(2,901)	48,256	-	48,256
At 1 April 2005	8,899	23,844	18,168	117	129	(2,901)	48,256	-	48,256
Effect of adopting FRS 39	-	-	-	-	-	(164)	(164)	-	(164)
At 1 April 2005, restated	8,899	23,844	18,168	117	129	(3,065)	48,092	-	48,092
Exchange difference on translation of financial statements of foreign subsidiaries	-	-	-	-	(11)	-	(11)	-	(11)
Net profit for the year	-	-	-	-	-	3,796	3,796	584	4,380
Total recognised income and expense for the year	-	-	-	-	(11)	3,796	3,785	584	4,369
Minority interest's share of net assets	-	-	-	-	-	-	-	1,144	1,144
Transfer from share premium to share capital upon implementation of the Companies (Amendment) Act 2005	23,844	(23,844)	-	-	-	-	-	-	-
At 31 March 2006	32,743	-	18,168	117	118	731	51,877	1,728	53,605

<u>Company</u>	<u>Share capital</u> S\$'000	<u>Share premium</u> S\$'000	<u>Capital reserve</u> S\$'000	<u>Accumulated losses</u> S\$'000	<u>Total</u> S\$'000
At 1 April 2004	8,899	23,844	18,168	(5,756)	45,155
Net loss for the year	-	-	-	(662)	(662)
At 31 March 2005	8,899	23,844	18,168	(6,418)	44,493
At 1 April 2005	8,899	23,844	18,168	(6,418)	44,493
Net loss for the year	-	-	-	(656)	(656)
Total recognised income and expense for the year	-	-	-	(656)	(656)
Transfer from share premium to share capital upon implementation of the Companies (Amendment) Act 2005	23,844	(23,844)	-	-	-
At 31 March 2006	32,743	-	18,168	(7,074)	43,837

Notes:

(1) Capital Reserves

	<u>Group</u> S\$'000	<u>Company</u> S\$'000
The assigned fair value of the warrants issued by the Company	370	370
Capital Reduction Reserve	17,798	17,798
	<u>18,168</u>	<u>18,168</u>

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

(2) On the date of commencement of the Companies (Amendment) Act 2005 on 30 January 2006:

- (a) the concept of authorised share capital is abolished;
- (b) shares of the Company have no par value; and
- (c) share premium is transferred to share capital

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous year reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial year reported on and as at the end of the corresponding year of the immediately preceding financial year.

Pursuant to the terms and conditions of the issued warrants, one warrant was exercised on 27 April 2005. The issued and paid up share capital was increased from 889,913,560 to 889,913,561. As at 31 March 2006, there is no unissued shares under warrants (31 March 2005: 41,307,838).

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

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

3. Where the figures have been audited or reviewed, the auditors report (including any qualifications or emphasis of matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Please refer to paragraph 5.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Accounting Policies

The financial statements for the year ended 31 March 2006 are prepared in accordance with the Singapore Financial Reporting Standards ("FRS") including related interpretations promulgated by the Council on Corporate Disclosure and Governance.

In 2006, the Group adopted the following new/revised FRSs which are relevant to its operations:

FRS 1 (revised)	<i>Presentation of Financial Statements</i>
FRS 2 (revised)	<i>Inventories</i>
FRS 8 (revised)	<i>Accounting Policies, Changes in Accounting Estimates and Errors</i>
FRS 10 (revised)	<i>Events After the Balance Sheet Date</i>
FRS 16 (revised)	<i>Property, Plant and Equipment</i>
FRS 17 (revised)	<i>Leases</i>
FRS 21 (revised)	<i>The Effects of Changes in Foreign Exchange Rates</i>
FRS 24 (revised)	<i>Related Party Disclosures</i>
FRS 27 (revised)	<i>Consolidated and Separate Financial Statements</i>
FRS 28 (revised)	<i>Investment in Associates</i>
FRS 32 (revised)	<i>Financial Instruments: Disclosure and Presentation</i>
FRS 33 (revised)	<i>Earnings Per Share</i>
FRS 36 (revised)	<i>Impairment of Assets</i>
FRS 38 (revised)	<i>Intangible Assets</i>
FRS 39	<i>Financial Instruments: Recognition and Measurement</i>

FRS 102	<i>Share-based Payment</i>
FRS 103	<i>Business Combinations</i>
FRS 105	<i>Non-current Assets Held for Sale and Discontinued Operations</i>

Changes in Accounting Policies – The Group

The changes in accounting policies arising from the adoption of FRS 39 *Financial Instruments: Recognition and Measurement*, FRS103 *Business Combinations*, FRS 36 (revised) *Impairment of Assets* and FRS 38 (revised) *Intangible Assets* are summarised below:

FRS 39 Financial Instruments: Recognition and Measurement

The adoption of FRS 39 resulted in the Group recognising the non-current portion of retention monies at fair value. This change has been accounted for by increasing the opening balance at 1 April 2005 of the accumulated losses by S\$164,000. Comparatives have not been restated.

FRS 103 Business Combinations, FRS 36 (revised) Impairment of Assets and FRS 38 (revised) Intangible Assets

The adoption of FRS 103, FRS 36 (revised) and FRS 38 (revised) has resulted in a change in the accounting policy for goodwill.

Goodwill which arose following the acquisition of THL Engineering Pte. Ltd. during the financial year ended 31 March 2003, is stated at cost less accumulated impairment losses and is no longer amortised. Instead, goodwill impairment is tested annually, or when circumstances change, indicating that goodwill might be impaired. This change has resulted in an increase in the profit for the year ended 31 March 2006 by S\$129,900, being the goodwill amortisation which would otherwise be charged to the income statement.

All changes in the accounting policies have been made in accordance with the transitional provisions in the respective standards.

The changes in accounting policies have the following impact on the profit for the year:

	12 months ended 31/03/2006 S\$'000
Profit before changes in accounting policies	4,168
Effects of adopting FRS 39	82
Effects of adopting FRS 103	130
Profit for the year	<u>4,380</u>

The following comparatives have been reclassified to conform with current year's presentation:

	Amount Reported S\$'000	Amount reclassified S\$'000	As reclassified S\$'000
Balance Sheet			
<u>Non-current asset</u>			
Long-term progress billings receivables	-	3,450	3,450

<u>Current assets/(liabilities)</u>			
Progress billings receivables	-	20,623	20,623
Work-in-progress			
Cost incurred and attributable profit	269,212	(115,810)	153,402
Progress billings	(244,102)	90,035	(154,067)
Allowance for foreseeable losses	(2,700)	1,037	(1,663)
Allowance for rectification costs	(665)	665	-
Work-in-progress/(Excess of progress billings over construction work-in-Progress)	21,745	(24,073)	(2,328)
Other receivables, deposits and prepayments	2,769	(1,027)	1,742
Amount due from related parties	-	1,027	1,027
Trade and other payables	(26,263)	1,008	(25,255)
Amount due to related parties	-	(1,008)	(1,008)
	<hr/>	<hr/>	<hr/>
Income Statement			
Cost of sales	(66,276)	92	(66,184)
Distribution expenses	-	(92)	(92)
	<hr/>	<hr/>	<hr/>

6. Earnings per ordinary share of the Group for the current financial year reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	12 months ended 31/03/2006	12 months ended 31/03/2005
Earnings per ordinary share of the Group after deducting provision for preference dividends:-		
(a) Based on the weighted average number of ordinary shares on issue, and	0.43 cents	0.24 cents
(b) On a fully diluted basis (detailing any adjustments made to the earnings)	0.43 cents	0.24 cents ¹
Issued ordinary shares at beginning of the year	889,913,560	889,913,560
Issuance of ordinary share during the year	<u>1</u>	<u>-</u>
Issued ordinary shares at end of the year	<u>889,913,561</u>	<u>889,913,560</u>

- ¹ The diluted earning per share was the same as the basic earnings per share as the warrants are anti-dilutive. The 41,307,838 warrants each carry the right to subscribe for one ordinary share at an exercise price of \$0.17 expired on 27 April 2005.

7. **Net asset value (for the issuer and Group) per ordinary share based on issued share capital of the issuer at the end of the:-**
- (a) **current financial year reported on; and**
 (b) **immediately preceding financial year.**

	<u>As at 31/03/2006</u>	<u>As at 31/03/2005</u>
<u>Group</u>		
Net asset value per ordinary share based on issued share capital at the end of the year reported on	6.0 cents	5.4 cents
<u>Company</u>		
Net asset value per ordinary share based on issued share capital at the end of the year reported on	4.9 cents	5.0 cents

The net asset value per share is calculated based on net asset value over the total number of ordinary shares issued as at 31 March 2006 of 889,913,561 shares (31 March 2005: 889,913,560 shares).

8. **A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review must include a discussion of the following:-**
- (a) **any significant factors that affected the turnover, costs, and earnings of the Group for the current financial year reported on, including (where applicable) seasonal or cyclical factors; and**
 (c) **any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial year reported on.**

The Group recorded substantially better results for the year ended 31 March 2006.

Turnover increased by 39.4% to \$107.2 million from \$76.9 million last year. The increase was due largely to the substantially higher level of core activities undertaken by the Group in foundation engineering works, as well as higher sales under the new subsidiary in trading and leasing of foundation engineering equipment business.

Profit for the year improved by 109% to \$4.4 million compared to \$2.1 million last year. After taking into account the minority interest of \$584,000, the profit attributable to equity holders amounted to \$3.8 million, up by 81.1% from \$2.1 million last year. The higher profit came mainly from the Group's core activities and trading and leasing business in foundation engineering equipment.

Finance costs increased by 24.6% to \$1.8 million from the previous \$1.5 million as the Group arranged additional borrowings to fund its higher level of business activities and additions of foundation engineering equipment. Group's borrowings increased by 22.6% from \$24.3 million as at 31 March 2005 to \$29.8 million as at 31 March 2006. Debt/Equity ratio increased by 10% from 50.3% as at 31 March 2005 to 55.6% as at 31 March 2006.

Net current assets at 31 March 2006 were higher at \$20.7 million compared to \$14.1 million as at 31 March 2005, representing a 47% increase.

The better operating activities and results continued to improve Group's cashflow during the year. Cash and cash equivalents at end of the year improved from \$2.5 million to \$3.6 million.

Group equity further strengthened from \$48.3 million as at 31 March 2005 to \$53.6 million as at 31 March 2006. Group's net asset value per share thus increased from 5.4 cents to 6.0 cents.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

For 1Q '06, the Singapore economy expanded by 10.6% while construction industry contracted by 1.3%, deteriorated slightly from 4Q '05. For the four quarters within the Group's financial year (2Q '05 to 1Q '06), the industry experienced negative growth ranging from 0.8% to 1.4%. However, the positive sign is that the growth momentum has strengthened to 25% on a seasonally adjusted quarter-on-quarter annualized basis.

For the next 12 months, external risk factors faced by Singapore economy are further increase in oil prices, international imbalances and outbreak of bird flu amongst humans. On the positive side, the improved global economic environment will benefit Singapore economy and MTI has just raised its 2006 growth forecast from 4 - 6% to 5 - 7%.

Domestically, the industry is expecting its construction demand to increase between \$12 and \$13.5 billion in 2006. Major developments such as Integrated Resorts, Business Financial Centre, Sport City, HDB upgrading programme, Petro-chemical and Pharmaceutical projects and the rejuvenation of Orchard Road will all boost local construction activities. With a brighter outlook, the construction industry is expected to return to a positive growth this year.

As a leading specialist foundation engineering contractor, CSC Group will benefit from the turnaround of local construction industry and at the same time the group is acting to capture opportunities in the growing regional economies. The Board expects to achieve further improvement in the Group's performance in the next financial year.

11. Dividend

(a) Current financial year reported on

Any dividend declared for the current financial period on? None

(b) Corresponding year of the immediately preceding financial year

Any dividend declared for the corresponding year of the immediately preceding financial year? None

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended during the year under review.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. **Segmental revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

(a) Business segments

The Group comprises the following main business segments:-

Piling works and trading of goods : Piling works, manufacturing and trading of construction products.
 Sale and sublet of land : Property development, sales and rental of land.
 Trading & leasing of equipment : Trading and leasing of heavy equipment, machinery and spare parts.

	Piling works & trading of goods S\$'000	Sale & sublet of land S\$'000	Trading & leasing of equipment S\$'000	Eliminations S\$'000	Consolidated S\$'000
FY2005/2006					
Revenue					
External sales	97,626	681	8,945	-	107,252
Inter-segment revenue	23,481	955	2,786	(27,222)	-
Total revenue	121,107	1,636	11,731	(27,222)	107,252
Segmental results	5,305	304	1,680	3	7,292
Unallocated expenses					(619)
Finance costs					(1,872)
Share of results of an associate					(13)
Income tax expense					(408)
Profit for the year					4,380
FY2004/2005					
Revenue					
External sales	76,114	801	-	-	76,915
Inter-segment revenue	493	1,031	-	(1,524)	-
Total revenue	76,607	1,832	-	(1,524)	76,915
Segmental results	3,623	354	-	234	4,211
Unallocated expenses					(759)
Finance costs					(1,503)
Share of results of an associate					373
Income tax expense					(226)
Profit for the year					2,096

(b) Geographical segments

The Group's business operations are predominantly carried out in Singapore.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please see "Financial Review" under Note 8.

15. A breakdown of sales as follows:-

	12 months ended 31/03/2006	12 months ended 31/03/2005 (Restated)	Change
	S\$'000	S\$'000	%
(a) Sales reported for the first half year	56,687	45,076	25.8
(b) Operating profit after tax before deducting minority interest reported for the first half year	1,497	754	98.5
(c) Sales reported for the second half year	50,565	31,839	58.8
(d) Operating profit after tax before deducting minority interest reported for the second half year	2,883	1,342	114.8

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Total Annual Dividend (Refer to Para 16 of Appendix 7.2 for the required details)

	<u>Latest full year</u>	<u>Previous full year</u>
Ordinary	-	-
Preference	-	-
Total	-	-

By Order of the Board

Poh Chee Kuan
Chief Executive Officer
22 May 2006