



# **CSC HOLDINGS LIMITED**

(Company Registration Number: 199707845E)

**Financial Statements  
& Dividend Announcement  
for the Twelve Months Ended  
31 March 2009**

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## Review of the Performance of the Group

### CONSOLIDATED INCOME STATEMENT

4Q09 – for the 3 months ended 31 March 2009

4Q08 – for the 3 months ended 31 March 2008

FY09 – for the 12 months ended 31 March 2009

FY08 – for the 12 months ended 31 March 2008

#### Full Year Review

CSC Holdings Limited and its subsidiaries (collectively referred to as “the Group”) achieved a net profit after tax (“NPAT”) of \$42.5 million for FY09. This figure was derived after taking into consideration impairment write-down of \$6.5 million. Accordingly, basic earnings per share for FY09 were 3.36 cents (FY08: 3.85 cents).

	4Q09 \$'000	4Q08 \$'000	Change %	FY09 \$'000	FY08 \$'000	Change %
Revenue	110,871	167,745	-33.9%	568,097	483,701	17.4%
Gross profit	15,802	30,817	-48.7%	93,866	97,766	-4.0%
Profit before income tax	7,320	17,369	-57.9%	52,935	58,656	-9.8%
Profit for the period/year	6,600	12,872	-48.7%	42,463	45,357	-6.4%

#### Revenue

Group revenue decreased from \$123.1 million in 3Q09 to \$110.9 million in 4Q09, a 9.9% decline. This decrease was mainly due to weaker construction demand from the private sector in the fourth quarter.

Despite the decline in 4Q09, the Group achieved higher revenue for FY09 amounting to \$568.1 million (FY08: \$483.7 million) as a result of strong revenue recorded in the first half of the financial year under review.

#### Gross Profit

Gross profit for 4Q09 declined to \$15.8 million compared to \$30.8 million in 4Q08, in line with the decline in revenue in 4Q09. For the twelve months ended 31 March 2009, the Group registered a slight decrease in gross profit to \$93.9 million, as compared to \$97.8 million in FY08. However, due to increased competition in the foundation engineering sector, gross margin was lower at 16.5% when compared to 20.2% in FY08.

#### Other Income

For FY09, other income of \$4.0 million consisted mainly of a gain in disposal of a subsidiary amounting to \$0.7 million in 4Q09, gain on disposal of fixed assets amounting to \$0.7 million and other construction related services amounting to \$1.8 million.

#### Operating Expenses

Administrative, distribution and other operating expenses (“Operating Expenses”) decreased by 8.4% to \$8.8 million (3Q09: \$9.6 million), in tandem with the decrease in the Group’s revenue for 4Q09. Operating Expenses to Revenue ratio was 7.0% (FY08: 7.4%) for FY09. Such improvements were achieved through better deployment of resources and tighter cost controls.

### **Finance Expenses**

Capital expenditures and loans obtained to finance such expenditure had decreased substantially in 4Q09. Coupled with the repayments made by the Group for 4Q09, these led to a decrease in net finance expenses by 22.0% from \$1.1 million in 3Q09 to \$0.9 million in 4Q09.

The increase for FY09 was due to loans obtained to fund the acquisition of plant and equipment. In addition, funding for working capital requirements were required to support the higher level of activities in the first half of FY09.

### **Share of loss of associates**

The Group disposed a loss-making associate company in May 2008. Consequently, the Group's share of losses from associates was down 87.0% and 83.3% for FY09 and 4Q09 compared to FY08 and 4Q08 respectively.

### **Income tax**

The Ministry of Finance in its Budget 2009, announced a reduction in the corporate income tax rate from 18% to 17% in January 2009. This reduction of 1% contributed to lower income tax expense in 4Q09 and FY09 compared to 4Q08 and FY08 respectively.

Income tax expense for FY09 was lower at \$10.5 million (FY08: \$13.3 million) due to lower corporate income tax rate and increased in tax allowable expenses.

### **Profit After Tax**

Taking into account the above factors, the Group's net profit for FY09 fell 6.4% to \$42.5 million (FY08: \$45.4 million). Net profit after tax for 4Q09 fell to \$6.6 million (4Q08: \$12.9 million) mainly due to an impairment write-down of plant and machinery amounting to \$5.0 million (4Q08: \$0.2 million).

## **BALANCE SHEET**

### **Property, Plant and Equipment**

In the first half of FY09, the Group invested \$31.8 million worth of capital expenditure to further enhance the Group's capacity. A further \$20.3 million was invested in the second half. As such, the Group's net property, plant and equipment increased to \$128.4 million as of 31 March 2009.

### **Intangible Assets**

Intangible assets representing goodwill arising from acquisition of subsidiaries decreased from \$3.4 million as of 31 March 2008 to \$2.0 million as of 31 March 2009. The net decrease of \$1.4 million was due to an impairment of goodwill of \$2.3 million and an increase of goodwill of \$1.1 million due to an acquisition of a subsidiary.

### **Non-current Trade and Other Receivables**

As of 31 March 2009, non-current trade and other receivables amounted to \$18.8 million (31 March 2008: \$18.5 million). These were mainly retention monies which were due for collection after more than twelve months.

### **Net Current Assets**

As of 31 March 2009, the Group's net current assets stood at \$63.8 million (31 March 2008: \$56.1 million). The Group improved its current ratio (current assets / current liabilities) to 1.4 as of 31 March 2009 from 1.3 as of 31 March 2008.

### **Inventories and Receivables**

The Group's inventories amounted to \$26.3 million compared to \$19.6 million as of 31 March 2008. The higher level of inventories was required to support the increased level of activities of the Group in FY09.

Despite the 17.4% increase in revenue from \$483.7 million to \$568.1 million for the period ended 31 March 2009, trade and other receivables increased marginally by 1.8% to \$178.4 million (31 March 2008: \$175.1 million). These were due to better working capital management and closer monitoring of receivables.

### **Borrowings**

For the financial year ended 31 March 2009, the Group obtained additional financing to acquire productive assets of \$52.1 million. Despite the additional financing, the Group's borrowings as at 31 March 2009 decreased by \$2.9 million to \$82.1 million.

The Group repaid debts amounted to \$37.6 million for FY09 (FY08: \$29.3 million).

Hence, the Group's debt equity ratio improved to 48.6% as of 31 March 2009 from 63.7% as of 31 March 2008.

### **Equity**

For FY09, share options and convertible notes were exercised which resulted in an increase of \$6.3 million in the Group's share capital. Reserves and minority interest increased by \$29.1 million to \$104.5 million as of 31 March 2009. The increase was due to net profit of \$42.5 million for FY09, which was offset by the purchase of 1.9 million shares amounting to \$0.1 million and payments of final dividend (for FY08) of \$10.7 million and interim dividend (for FY09) of \$2.8 million. Consequently, Group equity as of 31 March 2009 was \$168.9 million compared to \$133.5 million at 31 March 2008.

Despite the increase in the number of shares, the Group's net asset value per share as of 31 March 2009 increased by 19.0% to 13.8 cents as compared to 11.6 cents as of 31 March 2008.

## **CASH FLOW**

As of 31 March 2009, cash and cash equivalents stood at \$25.8 million, a 27.6% improvement compared to \$20.2 million as of 31 March 2008.

### **Cash Flow from Operating Activities**

For the quarter ended 31 March 2009, the Group generated operating cash inflow of \$23.6 million compared to \$34.2 million in the corresponding period. The reduction was mainly attributable to a lower profit and decrease in working capital for 4Q09.

While profit for FY09 was lower than the previous financial year, better working capital management and better collection efforts resulted in the Group generating operating cash inflow of \$76.0 million compared to \$47.9 million in the corresponding period.

### **Cash Flow from Investing Activities**

Net outflow of \$20.9 million in FY09 was mainly utilised to finance the increase in the Group's productive capacity. During the same period, the Group also disposed of some older equipment and this contributed \$3.0 million to its cash inflow for the period ended 31 March 2009.

### **Cash Flow from Financing Activities**

The Group paid out a final dividend (for FY08) of \$10.7 million and an interim dividend (for FY09) of \$2.8 million, totalling \$13.5 million to shareholders while receiving \$3.0 million in equity arising from the conversion of share options.

In addition, the Group repaid loans (including interest payments) of \$11.0 million and \$42.6 million for 4Q09 and FY09 respectively, which resulted in a net cash outflow from its financing activities.

The Group also incurred \$151,369 for the purchase of 1,900,000 treasury shares at an average of 7.97 cents each in FY09.

## Outlook

The global economy is in the midst of an unprecedented crisis. Governments worldwide have taken extraordinary measures to stimulate their domestic economies. Whilst some economists are of the view that the worst of the crisis may be behind us, the road to recovery remains highly uncertain.

The Ministry of Trade and Industry forecasted that the Singapore economy for 2009 would contract by between 6% and 9%.

Construction sector grew some 20.3 % in Year 2008. Total construction demand was \$34.6 billion. The exceptional high level of contracts awarded was largely propelled by continued strong growth in private sector demand as well as an upswing in the total value of public housing and infrastructural projects committed.

Looking ahead, the Building Construction Authority of Singapore estimated that total construction demand for Year 2009 would be between \$22 billion and \$28 billion.

The Group derives its revenue from both public and private sectors. Public sector demand, particularly infrastructural projects, remains reasonably positive. However, private sector demand continues to be uncertain.

As at 15 May 2009, the Group's order book was approximately \$110 million.

The Group enjoyed significant growth in FY 2008 and FY 2009. Given the extraordinary economic landscape in which the Group is operating, it is expected that both revenue and profits would be lower in FY 2010. However, with healthy balance sheet and strong underlying fundamentals, the Group is well positioned to ride out the challenging times ahead. The Board of Directors expects the demand for foundation and geotechnical works to improve in the latter part of FY 2010. In addition, it is also in a strong position to take advantage of any opportunity that may present itself in this uncertain time.

## Consolidated Income Statement for the 12 months ended 31 March 2009

	Note	Group					
		4th Quarter ended		Change	12 months ended		Change
		31-Mar-09	31-Mar-08		31-Mar-09	31-Mar-08	
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Revenue</b>		110,871	167,745	(33.9)	568,097	483,701	17.4
Cost of sales	A	(95,069)	(136,928)	(30.6)	(474,231)	(385,935)	22.9
<b>Gross profit</b>		15,802	30,817	(48.7)	93,866	97,766	(4.0)
Other income	B	1,295	372	248.1	3,951	2,033	94.3
Distribution expenses		(46)	(87)	(47.1)	(189)	(226)	(16.4)
Administrative expenses		(309)	(476)	(35.1)	(1,541)	(1,856)	(17.0)
Other operating expenses	C	(8,475)	(11,537)	(26.5)	(38,206)	(33,948)	12.5
<b>Results from operating activities</b>		8,267	19,089	(56.7)	57,881	63,769	(9.2)
Finance income	D	164	35	368.6	205	699	(70.7)
Finance expenses		(1,056)	(1,426)	(25.9)	(4,931)	(4,120)	19.7
<b>Net finance expenses</b>		(892)	(1,391)	(35.9)	(4,726)	(3,421)	38.1
Share of loss of associates		(55)	(329)	(83.3)	(220)	(1,692)	(87.0)
<b>Profit before income tax</b>		7,320	17,369	(57.9)	52,935	58,656	(9.8)
Income tax expense	E	(720)	(4,497)	(84.0)	(10,472)	(13,299)	(21.3)
<b>Profit for the period/year</b>		6,600	12,872	(48.7)	42,463	45,357	(6.4)
<b>Attributable to:</b>							
Equity holders of the Company		6,687	12,232	(45.3)	40,154	43,213	(7.1)
Minority interests		(87)	640	(113.6)	2,309	2,144	7.7
<b>Profit for the period/year</b>		6,600	12,872		42,463	45,357	



## Balance Sheets as at 31 March 2009

DESCRIPTION	Note	Group		Company	
		31-Mar-09	31-Mar-08	31-Mar-09	31-Mar-08
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>					
Property, plant and equipment	1	128,418	102,412	13	19
Intangible assets		2,038	3,396	-	-
Investments in:					
- subsidiaries		-	-	57,347	55,137
- associates		-	-	-	-
Quoted shares, available-for-sale		2	2	-	-
Lease prepayment		-	504	-	-
Trade and other receivables		18,815	18,451	-	-
Other non-current assets		49	51	-	-
		149,322	124,816	57,360	55,156
<b>Current assets</b>					
Inventories	2	26,330	19,631	-	-
Land held for development and sale		10,995	11,295	-	-
Trade and other receivables		178,350	175,144	38,701	47,725
Cash and cash equivalents		29,887	24,108	4,210	985
		245,562	230,178	42,911	48,710
<b>Total assets</b>		394,884	354,994	100,271	103,866

**Balance Sheets as at 31 March 2009 (cont'd)**

DESCRIPTION	Note	Group		Company	
		31-Mar-09	31-Mar-08	31-Mar-09	31-Mar-08
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Equity attributable to equity holders of the Company</b>					
Share capital		64,378	58,057	64,378	58,057
Reserves		97,660	71,337	23,476	22,185
		162,038	129,394	87,854	80,242
<b>Minority interests</b>		6,853	4,070	-	-
<b>Total equity</b>		168,891	133,464	87,854	80,242
<b>Non-current liabilities</b>					
Financial liabilities		40,699	42,347	5,083	10,614
Deferred tax liabilities		3,529	5,058	-	28
		44,228	47,405	5,083	10,642
<b>Current liabilities</b>					
Financial liabilities		31,987	27,212	2,973	5,777
Trade and other payables		125,476	132,491	4,361	7,205
Excess of progress billings over construction work-in-progress	3	12,234	2,557	-	-
Current tax payable		12,068	11,865	-	-
		181,765	174,125	7,334	12,982
<b>Total liabilities</b>		225,993	221,530	12,417	23,624
<b>Total equity and liabilities</b>		394,884	354,994	100,271	103,866

## Consolidated Statement of Cash Flows for the 12 months ended 31 March 2009

	4th Quarter ended		12 months ended	
	<u>31-Mar-09</u>	<u>31-Mar-08</u>	<u>31-Mar-09</u>	<u>31-Mar-08</u>
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Operating activities</b>				
Profit for the period/year	6,600	12,872	42,463	45,357
Adjustments for:				
Allowances made for:				
- foreseeable losses on construction work-in-progress	369	(351)	618	94
- foreseeable losses on land held for sale	-	-	300	1,000
- inventory obsolescence	-	219	-	219
Amortisation of:				
- intangible assets	59	-	235	1,556
- lease prepayment	-	63	189	252
Depreciation of property, plant and equipment	5,596	4,494	20,555	16,425
Impairment losses on:				
- associates	1,000	872	1,080	872
- goodwill on consolidation	1,811	-	2,311	-
- other non-current assets	5	-	5	-
- property, plant and equipment	5,036	235	6,535	235
- trade, progress billing and other receivables	303	163	2,466	2,453
Inventories written off	-	54	-	1,322
Loss on dilution of interest in a subsidiary	-	-	125	-
(Gain)/Loss on disposal of:				
- a subsidiary	(688)	-	(688)	-
- a jointly-controlled entity	-	-	-	239
- an associate	-	-	(116)	-
- property, plant and equipment	350	(1)	(700)	(391)
Net finance expenses	892	1,391	4,726	3,421
Property, plant and equipment written off	(51)	8	26	297
Share of loss of associates	55	329	220	1,692
Share option expense	603	750	2,209	2,276
Income tax expense	720	4,497	10,472	13,299
	<b>22,660</b>	<b>25,595</b>	<b>93,031</b>	<b>90,618</b>
Changes in working capital:				
Inventories	916	91	(1,629)	(7,349)
Trade, progress billing and other receivables	(2,191)	(27,954)	4,971	(108,297)
Trade and other payables	3,159	36,795	(8,348)	74,682
Cash generated from operations	24,544	34,527	88,025	49,654
Income taxes paid	(973)	(312)	(12,056)	(2,022)
Interest received	5	34	46	299
<b>Cash flows from operating activities</b>	<b>23,576</b>	<b>34,249</b>	<b>76,015</b>	<b>47,931</b>

**Consolidated Statement of Cash Flows for the 12 months ended 31 March 2009  
(cont'd)**

	<b>4th Quarter ended</b>		<b>12 months ended</b>	
	<b><u>31-Mar-09</u></b>	<b><u>31-Mar-08</u></b>	<b><u>31-Mar-09</u></b>	<b><u>31-Mar-08</u></b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Investing activities</b>				
Purchase of property, plant and equipment	(2,587)	(7,254)	(21,305)	(27,161)
Proceeds from disposal of:				
- a subsidiary	1,021	-	1,021	-
- interest in a jointly-controlled entity	-	-	-	926
- interest in an associate	-	-	116	-
- property, plant and equipment	362	1,017	2,969	2,697
- quoted shares, available-for-sale	-	-	-	624
Acquisition of subsidiaries, net of cash acquired	-	-	(2,634)	(11,510)
Decrease/(Increase) in non-trade amount owing by associates	-	122	(1,089)	177
<b>Cash flows from investing activities</b>	<b>(1,204)</b>	<b>(6,115)</b>	<b>(20,922)</b>	<b>(34,247)</b>
<b>Financing activities</b>				
Interest paid	(1,166)	(934)	(4,931)	(3,540)
Dividend paid:				
- shareholders of the Company	-	-	(13,518)	(2,603)
- minority shareholder of a subsidiary	(338)	(158)	(338)	(158)
Proceeds from:				
- bank loans	757	2,849	4,257	8,049
- capital contribution from a minority shareholder	-	-	13	-
- issue of shares under share option scheme	-	-	3,002	-
Repayment of:				
- bank loans	(3,737)	(11,865)	(16,051)	(17,716)
- finance lease liabilities	(6,131)	(3,652)	(21,577)	(11,589)
Non-trade amount owing to a related corporation	-	(2)	-	-
Purchase of treasury shares	(138)	-	(151)	-
Decrease/(Increase) in fixed deposits pledged	-	1,563	(228)	1,563
<b>Cash flows from financing activities</b>	<b>(10,753)</b>	<b>(12,199)</b>	<b>(49,522)</b>	<b>(25,994)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>11,619</b>	<b>15,935</b>	<b>5,571</b>	<b>(12,310)</b>
Cash and cash equivalents at beginning of the period/year	14,133	4,253	20,188	32,498
Effect of exchange rate changes on balances held in foreign currencies	(2)	-	(9)	-
<b>Cash and cash equivalents at end of the period/year</b>	<b>25,750</b>	<b>20,188</b>	<b>25,750</b>	<b>20,188</b>
Comprising:				
Cash and cash equivalents	29,887	24,108	29,887	24,108
Bank overdrafts (secured)	(3,909)	(3,920)	(3,909)	(3,920)
	25,978	20,188	25,978	20,188
Less:				
Fixed deposits pledged as security for bank facilities	(228)	-	(228)	-
Cash and cash equivalents in the consolidated cash flow statement	25,750	20,188	25,750	20,188

## Statement of Changes in Equity for the 12 months ended 31 March 2009

<b>Group</b>	Share capital	Capital reserve	Reserve for own shares	Reserve on consolidation	Fair value reserve	Share option reserve	Currency translation reserve	Other reserve	Accumulated profits	Total attributable to equity holders of the Company	Minority interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 April 2007	56,390	17,798	-	117	274	780	(92)	251	9,739	85,257	2,084	87,341
Translation differences relating to financial statements of foreign subsidiaries, associates and jointly-controlled entity	-	-	-	-	-	-	(265)	-	-	(265)	-	(265)
Disposal of a jointly-controlled entity	-	-	-	-	-	-	250	-	-	250	-	250
Net change in fair value of available-for-sale financial assets transferred to the income statement	-	-	-	-	(274)	-	-	-	-	(274)	-	(274)
Net loss recognised directly in equity	-	-	-	-	(274)	-	(15)	-	-	(289)	-	(289)
Profit for the year	-	-	-	-	-	-	-	-	43,213	43,213	2,144	45,357
Total recognised income and expense for the year	-	-	-	-	(274)	-	(15)	-	43,213	42,924	2,144	45,068
Effect arising from liquidation of a subsidiary	-	-	-	(1)	-	-	-	-	-	(1)	-	(1)
Conversion of redeemable convertible notes	1,667	-	-	-	-	-	-	(126)	-	1,541	-	1,541
Value of employee services received for issue of share options	-	-	-	-	-	2,276	-	-	-	2,276	-	2,276
Dividend paid in respect of financial year 2008 - Interim dividend of 0.282 cents per share (less tax at 18%)	-	-	-	-	-	-	-	-	(2,603)	(2,603)	-	(2,603)
Dividend paid to a minority shareholder	-	-	-	-	-	-	-	-	-	-	(158)	(158)
<b>At 31 March 2008</b>	<b>58,057</b>	<b>17,798</b>	<b>-</b>	<b>116</b>	<b>-</b>	<b>3,056</b>	<b>(107)</b>	<b>125</b>	<b>50,349</b>	<b>129,394</b>	<b>4,070</b>	<b>133,464</b>

## Statement of Changes in Equity for the 12 months ended 31 March 2009 (cont'd)

Group	Share capital	Capital reserve	Reserve for own shares	Reserve on consolidation	Fair value reserve	Share option reserve	Currency translation reserve	Other reserve	Accumulated profits	Total attributable to equity holders of the Company	Minority interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 April 2008	58,057	17,798	-	116	-	3,056	(107)	125	50,349	129,394	4,070	133,464
Translation differences relating to financial statements of foreign subsidiaries and associates	-	-	-	-	-	-	(622)	-	-	(622)	-	(622)
Dilution of interest in a subsidiary	-	-	-	-	-	-	18	-	-	18	-	18
Disposal of an associate	-	-	-	-	-	-	64	-	-	64	-	64
Net change in fair value of available-for-sale financial assets	-	-	-	-	(10)	-	-	-	-	(10)	-	(10)
Net loss recognised directly in equity	-	-	-	-	(10)	-	(540)	-	-	(550)	-	(550)
Profit for the year	-	-	-	-	-	-	-	-	40,154	40,154	2,309	42,463
Total recognised income and expense for the year	-	-	-	-	(10)	-	(540)	-	40,154	39,604	2,309	41,913
Issue of shares under share option scheme	4,698	-	-	-	-	(1,696)	-	-	-	3,002	-	3,002
Conversion of redeemable convertible notes	1,623	-	-	-	-	-	-	(115)	-	1,508	-	1,508
Cancellation of redeemable convertible notes	-	-	-	-	-	-	-	(10)	-	(10)	-	(10)
Value of employee services received for issue of share options	-	-	-	-	-	2,209	-	-	-	2,209	-	2,209
Capital contribution by minority shareholder of a subsidiary	-	-	-	-	-	-	-	-	-	-	13	13
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	674	674
Dilution of interest in a subsidiary	-	-	-	-	-	-	-	-	-	-	125	125
Purchase of treasury shares	-	-	(151)	-	-	-	-	-	-	(151)	-	(151)
Dividend paid in respect of financial year 2008												
- Final dividend of 0.5 cents per share (tax-exempt one-tier)	-	-	-	-	-	-	-	-	(5,963)	(5,963)	-	(5,963)
- Special dividend of 0.4 cents per share (tax-exempt one-tier)	-	-	-	-	-	-	-	-	(4,771)	(4,771)	-	(4,771)
Dividend paid in respect of financial year 2009												
- Interim dividend of 0.23 cents per share (tax-exempt one-tier)	-	-	-	-	-	-	-	-	(2,784)	(2,784)	-	(2,784)
Dividend paid to a minority shareholder	-	-	-	-	-	-	-	-	-	-	(338)	(338)
<b>At 31 March 2009</b>	<b>64,378</b>	<b>17,798</b>	<b>(151)</b>	<b>116</b>	<b>(10)</b>	<b>3,569</b>	<b>(647)</b>	<b>-</b>	<b>76,985</b>	<b>162,038</b>	<b>6,853</b>	<b>168,891</b>

## Statement of Changes in Equity for the 12 months ended 31 March 2009 (cont'd)

<u>Company</u>	Share capital	Capital reserve	Reserve for own shares	Share option reserve	Other reserve	Accumulated (losses)/profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 April 2007	56,390	17,798	-	780	251	(10,860)	64,359
Profit for the year/Total recognised							
income and expense for the year	-	-	-	-	-	14,669	14,669
Conversion of redeemable convertible notes	1,667	-	-	-	(126)	-	1,541
Value of employee services received for issue of share options	-	-	-	2,276	-	-	2,276
Dividend paid in respect of financial year 2008							
- Interim dividend of 0.282 cents per share (less tax at 18%)	-	-	-	-	-	(2,603)	(2,603)
<b>At 31 March 2008</b>	<b>58,057</b>	<b>17,798</b>	<b>-</b>	<b>3,056</b>	<b>125</b>	<b>1,206</b>	<b>80,242</b>
At 1 April 2008	58,057	17,798	-	3,056	125	1,206	80,242
Profit for the year/Total recognised							
income and expense for the year	-	-	-	-	-	14,572	14,572
Issue of shares under share option scheme	4,698	-	-	(1,696)	-	-	3,002
Conversion of redeemable convertible notes	1,623	-	-	-	(115)	-	1,508
Cancellation of redeemable convertible notes	-	-	-	-	(10)	-	(10)
Value of employee services received for issue of share options	-	-	-	2,209	-	-	2,209
Purchase of treasury shares	-	-	(151)	-	-	-	(151)
Dividend paid in respect of financial year 2008							
- Final dividend of 0.5 cents per share (tax-exempt one-tier)	-	-	-	-	-	(5,963)	(5,963)
- Special dividend of 0.4 cents per share (tax-exempt one-tier)	-	-	-	-	-	(4,771)	(4,771)
Dividend paid in respect of financial year 2009							
- Interim dividend of 0.23 cents per share (tax-exempt one-tier)	-	-	-	-	-	(2,784)	(2,784)
<b>At 31 March 2009</b>	<b>64,378</b>	<b>17,798</b>	<b>(151)</b>	<b>3,569</b>	<b>-</b>	<b>2,260</b>	<b>87,854</b>

Note:

Capital reserve

	<u>Group</u>	<u>Company</u>
	S\$'000	S\$'000
Capital Reduction Reserve	17,798	17,798

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

## Notes to the Financial Statements

### Notes to the Consolidated Income Statement

The Group is reporting its full year results for the period from 1 April 2008 to 31 March 2009 ("FY09") with comparative figures for the 12 months period from 1 April 2007 to 31 March 2008 ("FY08").

#### A Cost of sales

	Group			
	4th Quarter ended		12 months ended	
	31/03/2009	31/03/2008	31/03/2009	31/03/2008
	S\$'000	S\$'000	S\$'000	S\$'000

Cost of sales includes the following items:

Allowances made/(reversed) for:

- foreseeable losses on construction work-in-progress	369	(351)	618	94
- foreseeable losses on land held for sale	-	-	300	1,000
- inventory obsolescence	-	219	-	219
Depreciation of property, plant and equipment	5,533	4,320	19,641	15,913
Impairment losses on property, plant and equipment <sup>(1)</sup>	4,972	235	6,471	235
Inventories written down to net realisable value	259	-	583	38
Property, plant and equipment written off	8	6	8	100
Provision for loss of inventories	-	54	-	1,322

<sup>(1)</sup> The impairment losses of S\$6.5 million arose from differences in the recoverable value and carrying value of certain plant and machineries. The impairment losses do not have any impact on the operations of the Group.

#### B Other income

	Group			
	4th Quarter ended		12 months ended	
	31/03/2009	31/03/2008	31/03/2009	31/03/2008
	S\$'000	S\$'000	S\$'000	S\$'000

Other income includes the following items:

Compensation from a main contractor <sup>(2)</sup>	-	-	-	610
Gain/(Loss) on disposal of:				
- a subsidiary <sup>(3)</sup>	688	-	688	-
- an associate <sup>(4)</sup>	-	-	116	-
- property, plant and equipment	(350)	1	700	391

<sup>(2)</sup> In April 2005, a subsidiary of the Company commenced legal proceedings against a contractor, claiming for loss of profits arising from the contractor's refusal to award the subsidiary the subcontract for foundation engineering works for a housing project, in breach of an exclusive agreement that was made sometime in September 2004. Both the High Court and the Court of Appeal decided in favour of the subsidiary. During 1Q08, the contractor and the subsidiary agreed to settle the claim at S\$610,000 and full amount was paid to the subsidiary in June 2007.

<sup>(3)</sup> In January 2009, the Group entered into a sale and purchase agreement with a third party to dispose of its 100% equity interest in its subsidiary, Ching Soon Industries Pte Ltd, for a consideration of S\$1,050,000, giving rise to a gain on disposal of S\$688,000.

<sup>(4)</sup> In May 2008, the Group entered into a sale and purchase agreement with a third party to dispose of its 33% equity interest in its associate, Concrete Technology Pte Ltd, for a consideration of S\$116,000, giving rise to a gain on disposal of S\$116,000.



## Notes to the Consolidated Income Statement (cont'd)

### C Other operating expenses

	Group			
	4th Quarter ended		12 months ended	
	31/03/2009	31/03/2008	31/03/2009	31/03/2008
	S\$'000	S\$'000	S\$'000	S\$'000
Other operating expenses includes the following items:				
Amortisation of:				
- intangible assets <sup>(5)</sup>	59	-	235	1,556
- lease prepayment	-	63	189	252
Bad debts written off	(3)	649	42	718
Depreciation of property, plant and equipment	63	174	914	512
Exchange loss	27	84	116	187
Impairment losses on:				
- associates	1,000	872	1,080	872
- goodwill on consolidation	1,811	-	2,311	-
- trade, progress billing & other receivables <sup>(6)</sup>	303	163	2,466	2,453
- property, plant and equipment	64	-	64	-
Loss on:				
- dilution of interest in a subsidiary	-	-	125	-
- disposal of a jointly-controlled entity	-	-	-	239
Property, plant and equipment written off	(59)	2	18	197
Share option expense	603	750	2,209	2,276

<sup>(5)</sup> Intangible asset of S\$235,000 arose from the acquisition of a subsidiary, Wisescan Engineering Services Pte Ltd, in April 2008. The intangible asset was amortised to the Consolidated Income Statement over its estimated useful life of 12 months.

<sup>(6)</sup> Management reviews the Group's accounts receivables position on a periodic basis. Impairment losses are made after assessing the probability of recovering the accounts receivables. These impairment losses do not relate to any major customers and there are no further outstanding balances which have not been impaired. Amounts written back are cash recovered from receivables previously impaired.

### D Finance income

Included in the Group's finance income for FY08 was gain on disposal of quoted shares, available-for-sale, of S\$400,000. Quoted shares were issued to the Group as a result of settlements of debts owing from customers in previous years.

### E Income tax expense

	Group			
	4th Quarter ended		12 months ended	
	31/03/2009	31/03/2008	31/03/2009	31/03/2008
	S\$'000	S\$'000	S\$'000	S\$'000
Current tax (income)/expense				
- current period/year	(404)	2,986	11,183	11,928
- (over)/under provided in prior years	-	(15)	949	(15)
	(404)	2,971	12,132	11,913
Deferred tax expense/(income)				
- current period/year	1,124	1,762	(1,079)	1,622
- over provided in prior years	-	(236)	(581)	(236)
	1,124	1,526	(1,660)	1,386
	720	4,497	10,472	13,299

## Notes to the Consolidated Income Statement (cont'd)

### F Interested person transactions

Interested person transactions carried out during the 12 months ended 31 March 2009 under Chapter 9 of the Listing Manual are as follows:-

Name of interested person	Aggregate value of all interested person transactions during the year under review (excluding transactions less than S\$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 S\$100,000)
Tat Hong Heavyequipment (Pte.) Ltd. <sup>(1)</sup>	NIL	S\$11,350,000
Tat Hong Plant Leasing Pte Ltd <sup>(1)</sup>	NIL	S\$1,709,000
Tat Hong United Logistics Pte Ltd <sup>(1)</sup>	NIL	S\$124,000
Tutt Bryant Group Limited <sup>(1)</sup>	NIL	S\$2,019,000
CMC Construction Pte Ltd <sup>(1)</sup>	NIL	S\$2,068,000

Note:

<sup>(1)</sup> Tat Hong Heavyequipment (Pte.) Ltd., Tat Hong Plant Leasing Pte Ltd, Tat Hong United Logistics Pte Ltd, Tutt Bryant Group Limited and CMC Construction Pte Ltd are related corporations of TH Investments Pte Ltd, a substantial shareholder of the Company.

## Notes to the Balance Sheets

### 1 Property, plant and equipment

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

	Group	
	As at 31/03/2009 S\$'000	As at 31/03/2008 S\$'000
<u>Cost</u>		
Opening balance	139,956	67,167
Additions	53,891	59,498
Assets acquired through business combinations	2,000	10,766
Disposal of a subsidiary	(24)	-
Disposals	(4,275)	(3,064)
Write-offs	(187)	(1,838)
Reclassification from inventories	-	3,235
Transfer from assets held for sale	-	4,331
Translation differences on consolidation	(531)	(139)
Closing balance	<u>190,830</u>	<u>139,956</u>
<u>Accumulated depreciation and impairment losses</u>		
Opening balance	37,544	23,197
Additions	27,090	16,660
Disposals	(2,006)	(758)
Write-offs	(161)	(1,541)
Translation differences on consolidation	(55)	(14)
Closing balance	<u>62,412</u>	<u>37,544</u>
Carrying amount	<u>128,418</u>	<u>102,412</u>

### 2 Inventories

	Group	
	As at 31/03/2009 S\$'000	As at 31/03/2008 S\$'000
Equipment and machinery held for sale	19,235	8,134
Spare parts	2,500	1,964
Materials on sites	4,850	9,788
	<u>26,585</u>	<u>19,886</u>
Allowance for inventory obsolescence	(255)	(255)
	<u>26,330</u>	<u>19,631</u>

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

	Group	
	As at 31/03/2009 S\$'000	As at 31/03/2008 S\$'000
Cost incurred and attributable profit	1,035,197	749,677
Allowance for foreseeable losses	(1,676)	(1,327)
	<u>1,033,521</u>	<u>748,350</u>
Progress billings	(1,045,755)	(750,907)
	<u>(12,234)</u>	<u>(2,557)</u>

## Notes to the Balance Sheets (cont'd)

### 4 Aggregate amount of Group's borrowings and debt securities

#### Amount repayable in one year or less, or on demand

As at 31/03/2009	
Secured	Unsecured
S\$'000	S\$'000
41,430	-

As at 31/03/2008	
Secured	Unsecured
S\$'000	S\$'000
42,647	-

#### Amount repayable after one year

As at 31/03/2009	
Secured	Unsecured
S\$'000	S\$'000
40,699	-

As at 31/03/2008	
Secured	Unsecured
S\$'000	S\$'000
42,347	-

#### Details of any collateral

The Group's total secured borrowings amounted to S\$82.1 million (31 March 2008: S\$85.0 million) and consist of convertible notes, finance leases, loans and borrowings. Included in the secured borrowings repayable within one year were bills payable amounted to S\$9.4 million (31 March 2008: S\$15.4 million).

The overdrafts, bills payable, finance lease liabilities and bank loan facilities are secured by legal mortgages over the Group's assets listed below and corporate guarantees by the Company and a related corporation:

- a) Property, plant and machinery;
- b) Industrial lands held for development and for sale;
- c) Fixed and floating charge on assets of certain subsidiaries; and
- d) Fixed deposits of a subsidiary.

## Notes to the Statement of Changes in Equity

### 1 Changes in the Company's Share Capital

As at 31 March 2009, the issued and fully paid-up share capital of the Company was S\$64,378,246 (31 March 2008: S\$58,057,408). Movement in the Company's issued and fully paid-up share capital during the year ended 31 March 2009 was as follows:

	Number of shares	S\$'000
As at 1 April 2008	1,147,864,781	58,057
Issue of shares under CSC Executive Share Option Scheme 2004	44,795,000	4,698
Conversion of redeemable convertible notes	32,583,944	1,623
As at 31 March 2009	1,225,243,725	64,378

During the year, the Company completed the buy-back of 1,900,000 (31 March 2008: Nil) ordinary shares. As at 31 March 2009, the Company held 1,900,000 (31 March 2008: Nil) of its own uncanceled shares. There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the year ended 31 March 2009.

The total number of ordinary shares issued (excluding treasury shares) as at 31 March 2009 was 1,223,343,725 (31 March 2008: 1,147,864,781) ordinary shares.

As at 31 March 2009, there were outstanding share options for conversion into 93,379,000 (31 March 2008: 91,854,000) ordinary shares under the CSC Executive Share Option Scheme 2004.

As at 31 March 2009, there were no outstanding Convertible Notes for conversion into ordinary shares (31 March 2008: 35,472,837 ordinary shares).

## Audit

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

## Accounting Policies

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting year compared with the audited financial statements for the year ended 31 March 2008.

## Earnings Per Share

### (a) Basic earnings per ordinary share

	4th Quarter ended		12 months ended	
	31/03/2009	31/03/2008	31/03/2009	31/03/2008
Based on the weighted average number of ordinary shares on issue	0.55 cents	1.09 cents	3.36 cents	3.85 cents
	4th Quarter ended		12 months ended	
	31/03/2009	31/03/2008	31/03/2009	31/03/2008
	S\$'000	S\$'000	S\$'000	S\$'000
Basic earnings per ordinary share is based on: Net profit attributable to ordinary shareholders	6,687	12,232	40,154	43,213

## Earnings Per Share (cont'd)

	4th Quarter ended		12 months ended	
	31/03/2009	31/03/2008	31/03/2009	31/03/2008
	<b>Number of shares</b>			
Weighted average number of:				
Issued ordinary shares at beginning of the period/year	1,210,396,197	1,125,540,374	1,147,864,781	1,112,391,951
Ordinary shares issued arising from exercise of share options	-	-	37,393,803	-
Ordinary shares issued arising from conversion of convertible notes	329,945	981,293	8,973,861	10,231,036
Treasury shares held	(955,000)	-	(252,740)	-
Weighted average number of ordinary shares used to compute earnings per ordinary share	<u>1,209,771,142</u>	<u>1,126,521,667</u>	<u>1,193,979,705</u>	<u>1,122,622,987</u>

### (b) Diluted earnings per ordinary share

	4th Quarter ended		12 months ended	
	31/03/2009	31/03/2008	31/03/2009	31/03/2008
On a fully diluted basis	0.55 cents	1.00 cents	3.29 cents	3.54 cents
	<b>3<sup>rd</sup> Quarter ended</b>		<b>9 months ended</b>	
	<b>31/12/2008</b>	<b>31/12/2007</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Diluted earnings per ordinary share is based on:				
Net profit attributable to ordinary shareholders	6,687	12,232	40,154	43,213
Imputed interest on convertible notes, net of tax effect	10	33	62	81
Net profit attributable to ordinary shareholders adjusted for the effect of conversion of convertible notes	<u>6,697</u>	<u>12,265</u>	<u>40,216</u>	<u>43,294</u>

For the purpose of calculating the diluted earnings per ordinary share, the weighted average number of ordinary shares in issue is adjusted to take into account the dilutive effect arising from the dilutive share options and convertible notes, with the potential ordinary shares weighted for the period/year outstanding.

The effect of the exercise of share options and convertible notes on the weighted average number of ordinary shares in issue is as follows:-

	4th Quarter ended		12 months ended	
	31/03/2009	31/03/2008	31/03/2009	31/03/2008
	<b>Number of shares</b>			
Weighted average number of:				
Ordinary shares used in the calculation of basic earnings per ordinary share	1,209,771,142	1,126,521,667	1,193,979,705	1,122,622,987
Potential ordinary shares issuable under exercise of share options	665,213	37,617,813	2,853,604	39,835,963
Potential ordinary shares issuable under conversion of convertible notes	17,342,278	56,815,951	26,483,147	60,714,631
Weighted average number of ordinary issued and potential shares assuming full conversion	<u>1,227,778,633</u>	<u>1,220,955,431</u>	<u>1,223,316,456</u>	<u>1,223,173,581</u>

## Net Asset Value

	<u>As at 31/03/2009</u>	<u>As at 31/03/2008</u>
<b>Group</b>		
Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of the year reported on	13.8 cents	11.6 cents
<b>Company</b>		
Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of the year reported on	7.2 cents	7.0 cents

The net asset value per ordinary share is calculated based on net asset value over the total number of ordinary shares issued (excluding treasury shares) as at 31 March 2009 of 1,223,343,725 (31 March 2008: 1,147,864,781) ordinary shares.

## Dividend

The Board of Directors is pleased to recommend a tax exempt one-tier final ordinary dividend of 0.37 cents per share (31 March 2008: 0.5 cents) in respect of the financial year ended 31 March 2009 for approval by shareholders at the next Annual General Meeting to be convened.

During the year, a tax exempt one-tier ordinary dividend of 0.23 cents per share has been declared and paid. For the previous corresponding year, the Company has utilised its Section 44A credits for a net special dividend of 0.231 cents per share. On top of that, a tax exempt one-tier final ordinary dividend of 0.5 cents per share and a tax exempt one-tier special dividend of 0.4 cents per share have been declared and paid.

For the year ended 31 March 2009:

Name of dividend	Interim	Final	Total
Dividend type	Cash	Cash	Cash
Dividend per ordinary share	0.23 cents	0.37 cents	0.60 cents
Tax rate	Tax exempt	Tax exempt	Tax exempt

For the year ended 31 March 2008:

Name of dividend	Special	Final	Special	Total
Dividend type	Cash	Cash	Cash	Cash
Dividend per ordinary share (gross)	0.282 cents	0.5 cents	0.4 cents	1.182 cents
Tax rate	18%	Tax exempt	Tax exempt	

A separate announcement will be made on the Books Closure Date and shareholders will be advised accordingly on the relevant dates pertaining to the closure of the Transfer Books and the Register of Members of the Company for the preparation of the dividend warrants.

## Dividend (cont'd)

### Breakdown of Total Annual Dividend

	<u>31 March 2009</u> S\$'000	<u>31 March 2008</u> S\$'000
Special	-	7,374
Ordinary*	7,310	5,963
Total	<u>7,310</u>	<u>13,337</u>

\* Final dividend for the financial year ended 31 March 2009 is estimated based on share capital of 1,223,343,725 ordinary shares at the end of the financial year.

## Segmental Revenue and Results

### (a) Business segments

The Group comprises the following main business segments:

Foundation engineering : Foundation and geotechnical engineering works  
 Trading and leasing of equipment : Trading and rental of foundation engineering equipment

	Foundation engineering S\$'000	Trading and leasing of equipment S\$'000	Others S\$'000	Eliminations S\$'000	Consolidated S\$'000
<b>FY09</b>					
<b>Revenue</b>					
External sales	523,860	42,214	2,023	-	568,097
Inter-segment revenue	19,118	16,158	196	(35,472)	-
<b>Total revenue</b>	<u>542,978</u>	<u>58,372</u>	<u>2,219</u>	<u>(35,472)</u>	<u>568,097</u>
<b>Segmental results</b>	<u>61,924</u>	<u>8,501</u>	<u>(867)</u>	<u>(611)</u>	68,947
Unallocated expenses					(11,066)
Net finance expenses					(4,726)
Share of loss of associates					(220)
Income tax expense					(10,472)
<b>Profit for the year</b>					<u>42,463</u>
<b>FY08</b>					
<b>Revenue</b>					
External sales	448,962	33,941	798	-	483,701
Inter-segment revenue	22,162	15,261	423	(37,846)	-
<b>Total revenue</b>	<u>471,124</u>	<u>49,202</u>	<u>1,221</u>	<u>(37,846)</u>	<u>483,701</u>
<b>Segmental results</b>	<u>64,445</u>	<u>6,020</u>	<u>(3,339)</u>	<u>(1,024)</u>	66,102
Unallocated expenses					(2,333)
Net finance expenses					(3,421)
Share of loss of associates					(1,692)
Income tax expense					(13,299)
<b>Profit for the year</b>					<u>45,357</u>



## Breakdown of Sales

	<u>12 months ended 31/03/2009</u> S\$'000	<u>12 months ended 31/03/2008</u> S\$'000	<u>Change</u> %
(a) Sales reported for the first half year	334,130	185,044	80.6
(b) Operating profit after tax before deducting minority interest reported for the first half year	27,658	20,188	(21.7)
(c) Sales reported for the second half year	233,967	298,657	37.0
(d) Operating profit after tax before deducting minority interest reported for the second half year	14,805	25,169	(41.2)

**By Order of the Board**

**Lee Quang Loong**  
**Company Secretary**  
**27 May 2009**