



CSC HOLDINGS LIMITED

(Company Registration Number: 199707845E)

Condensed Interim Financial Statements

For the 6 Months Ended 30 September 2021

(For the Financial Year Ending 31 March 2022)

Table of Contents

Page

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS	3
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	4
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION	5
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY	7
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS	10
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS	12
1. CORPORATE INFORMATION	12
2. BASIS OF PREPARATION	12
3. SEASONAL OPERATIONS	12
4. REVENUE AND SEGMENT INFORMATION	13
5. PROFIT/(LOSS) BEFORE TAX	16
6. TAX EXPENSE	17
7. LOSS PER SHARE	17
8. PROPERTY, PLANT AND EQUIPMENT	18
9. INVESTMENT PROPERTY	19
10. INVESTMENT IN ASSOCIATES	19
11. INVENTORIES	20
12. SHARE CAPITAL	20
13. LOANS AND BORROWINGS	21
14. DIVIDENDS	22
15. NET ASSET VALUE	22
16. COMMITMENTS	22
17. RELATED PARTIES	22
18. ACQUISITION OF NON-CONTROLLING INTERESTS OF A SUBSIDIARY	23
19. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES	24
OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2	28
1. REVIEW OF THE PERFORMANCE OF THE GROUP	28
2. OUTLOOK	34
3. INTERESTED PERSON TRANSACTIONS	35
4. AUDIT / REVIEW	35
5. VARIANCE FROM PROSPECT STATEMENT	35
6. DIVIDEND	35
7. CONFIRMATION	36

Condensed Interim Consolidated Statement of Profit or Loss
For the 6 Months ended 30 September 2021

	Note	Group		Change
		6 months ended		
		30-Sep-21	30-Sep-20	
		\$'000	\$'000	%
Revenue	4a	123,089	52,811	>100.0
Cost of sales	5a	(109,015)	(59,263)	84.0
Gross profit/(loss)		14,074	(6,452)	N.M.
Other income	5b	485	3,314	(85.4)
Operating expenses				
- <i>Distribution expenses</i>		(689)	(274)	>100.0
- <i>Administrative expenses</i>	5c	(11,604)	(9,006)	28.8
- <i>Other operating expenses</i>	5d	(1,586)	(324)	>100.0
		(13,879)	(9,604)	44.5
Results from operating activities		680	(12,742)	N.M.
Net finance expenses				
- <i>Finance income</i>		1,196	878	36.2
- <i>Finance expenses</i>		(1,464)	(1,754)	(16.5)
		(268)	(876)	(69.4)
Share of loss of associates (net of tax)		(29)	(98)	(70.4)
Profit/(Loss) before tax		383	(13,716)	N.M.
Tax expense	6	(343)	(367)	(6.5)
Profit/(Loss) for the period		40	(14,083)	N.M.
Attributable to:				
Owners of the Company		(108)	(13,223)	(99.2)
Non-controlling interests		148	(860)	N.M.
Profit/(Loss) for the period		40	(14,083)	(100.3)

Gross profit/(loss) margin
Net profit/(loss) margin

11.4% -12.2%
0.0% -26.7%

Condensed Interim Consolidated Statement of Comprehensive Income

For the 6 Months ended 30 September 2021

	Group		
	6 months ended		Change
	30-Sep-21	30-Sep-20	
	\$'000	\$'000	%
Profit/(Loss) for the period	40	(14,083)	N.M.
Other comprehensive expense			
Item that will not be reclassified to profit or loss:			
Revaluation surplus of property, plant and equipment	500	-	N.M.
Item that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences - foreign operations	(586)	(50)	>100.0
Other comprehensive expense for the period, net of tax	(86)	(50)	72.0
Total comprehensive expense for the period	(46)	(14,133)	(99.7)
Attributable to:			
Owners of the Company	(706)	(13,236)	(94.7)
Non-controlling interests	660	(897)	N.M.
Total comprehensive expense for the period	(46)	(14,133)	(99.7)

Condensed Interim Statement of Financial Position
As at 30 September 2021

DESCRIPTION	Note	Group		Company	
		30-Sep-21	31-Mar-21	30-Sep-21	31-Mar-21
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment	8	121,966	124,983	-	-
Right-of-use assets		3,486	4,594	240	431
Goodwill		552	552	-	-
Investment property	9	151	212	-	-
Investments in:					
- subsidiaries		-	-	89,904	89,904
- associates	10	3,132	3,260	-	-
Other investments		163	162	-	-
Contract assets		16,304	11,679	-	-
Trade and other receivables		3,541	3,856	10,531	10,531
Deferred tax assets		40	42	352	352
		149,335	149,340	101,027	101,218
Current assets					
Inventories	11	34,398	31,444	-	-
Contract assets		51,025	50,485	-	-
Trade and other receivables		69,921	58,640	20,977	17,966
Tax recoverable		620	414	-	-
Cash and cash equivalents		29,140	34,604	1,844	3,458
		185,104	175,587	22,821	21,424
Assets held for sale		845	581	-	-
		185,949	176,168	22,821	21,424
Total assets		335,284	325,508	123,848	122,642

Condensed Interim Statement of Financial Position (Cont'd)
As at 30 September 2021

DESCRIPTION	Note	Group		Company	
		30-Sep-21	31-Mar-21	30-Sep-21	31-Mar-21
		\$'000	\$'000	\$'000	\$'000
Equity attributable to owners of the Company					
Share capital	12	94,089	94,089	94,089	94,089
Reserves		24,248	26,368	15,496	13,544
		118,337	120,457	109,585	107,633
Non-controlling interests		25,938	27,234	-	-
Total equity		144,275	147,691	109,585	107,633
Non-current liabilities					
Loans and borrowings	13	23,404	16,900	2,027	2,472
Lease liabilities *		624	856	17	54
Deferred tax liabilities		2,515	2,052	-	-
		26,543	19,808	2,044	2,526
Current liabilities					
Loans and borrowings	13	61,535	59,753	732	528
Lease liabilities *		2,963	3,909	238	400
Contract liabilities		564	574	-	-
Trade and other payables		91,684	85,746	11,249	11,555
Provisions		7,544	7,747	-	-
Current tax payable		176	280	-	-
		164,466	158,009	12,219	12,483
Total liabilities		191,009	177,817	14,263	15,009
Total equity and liabilities		335,284	325,508	123,848	122,642

* Relating to Right-of-use assets.

Condensed Interim Statements of Changes in Equity

For the 6 Months ended 30 September 2021

<u>Group</u>	Share capital	Capital reserve	Reserve for own shares	Reserve on consolidation	Foreign currency translation reserve	Revaluation reserve	Other reserve	Accumulated profits	Total attributable to owners of the Company	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 April 2020	84,389	17,798	(2,354)	116	(6,137)	10,721	(920)	18,879	122,492	29,126	151,618
Total comprehensive expense for the period											
Loss for the period	-	-	-	-	-	-	-	(13,223)	(13,223)	(860)	(14,083)
Other comprehensive (expense)/income											
Foreign currency translation differences	-	-	-	-	(13)	-	-	-	(13)	(37)	(50)
Transfer of revaluation surplus upon disposal	-	-	-	-	-	(8,546)	-	8,546	-	-	-
Transfer of revaluation surplus of property, plant and equipment	-	-	-	-	-	(149)	-	149	-	-	-
Total other comprehensive (expense)/income	-	-	-	-	(13)	(8,695)	-	8,695	(13)	(37)	(50)
Total comprehensive expense for the period	-	-	-	-	(13)	(8,695)	-	(4,528)	(13,236)	(897)	(14,133)
Transactions with owners of the Company, recorded directly in equity											
Contributions by and distributions to owners											
Issue of shares from exercise of warrants	1,120	-	-	-	-	-	-	-	1,120	-	1,120
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(150)	(150)
Total transactions with owners of the Company	1,120	-	-	-	-	-	-	-	1,120	(150)	970
At 30 September 2020	85,509	17,798	(2,354)	116	(6,150)	2,026	(920)	14,351	110,376	28,079	138,455

Condensed Interim Statements of Changes in Equity (Cont'd)
For the 6 Months ended 30 September 2021

<u>Group</u>	Share capital	Capital reserve	Reserve for own shares	Reserve on consolidation	Foreign currency translation reserve	Revaluation reserve	Other reserve	Accumulated profits	Total attributable to owners of the Company	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 April 2021	94,089	17,798	(2,354)	116	(6,425)	1,385	(920)	16,768	120,457	27,234	147,691
Total comprehensive (expense)/income for the period (Loss)/Profit for the period	-	-	-	-	-	-	-	(108)	(108)	148	40
Other comprehensive (expense)/income											
Foreign currency translation differences	-	-	-	-	(357)	-	-	-	(357)	(229)	(586)
Revaluation surplus of property, plant and equipment	-	-	-	-	-	500	-	-	500	-	500
Transfer of revaluation surplus of property, plant and equipment	-	-	-	-	-	(823)	-	82	(741)	741	-
Total other comprehensive (expense)/income	-	-	-	-	(357)	(323)	-	82	(598)	512	(86)
Total comprehensive (expense)/income for the period	-	-	-	-	(357)	(323)	-	(26)	(706)	660	(46)
Transactions with owners of the Company, recorded directly in equity											
Changes in ownership interests in a subsidiary											
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	(1,414)	-	(1,414)	(1,956)	(3,370)
Total changes in ownership interests in a subsidiary	-	-	-	-	-	-	(1,414)	-	(1,414)	(1,956)	(3,370)
At 30 September 2021	94,089	17,798	(2,354)	116	(6,782)	1,062	(2,334)	16,742	118,337	25,938	144,275

Condensed Interim Statements of Changes in Equity (Cont'd)
For the 6 Months ended 30 September 2021

<u>Company</u>	Share capital	Capital reserve	Reserve for own shares	Accumulated profits/(losses)	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 April 2020	84,389	17,798	(2,354)	15,421	115,254
Total comprehensive expense for the period	-	-	-	(1,124)	(1,124)
Transactions with owners of the Company, recorded directly in equity					
Issue of shares from exercise of warrants	1,120	-	-	-	1,120
Total transactions with owners of the Company	1,120	-	-	-	1,120
At 30 September 2020	85,509	17,798	(2,354)	14,297	115,250
At 1 April 2021	94,089	17,798	(2,354)	(1,900)	107,633
Total comprehensive income for the period	-	-	-	1,952	1,952
Transactions with owners of the Company, recorded directly in equity	-	-	-	-	-
At 30 September 2021	94,089	17,798	(2,354)	52	109,585

Note:

Capital reserve

Capital Reduction Reserve

<u>Group</u>	<u>Company</u>
\$'000	\$'000
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 Regulation 142 of the Constitution of the Company and the Companies Act, Chapter 50 of Singapore.

Condensed Interim Consolidated Statement of Cash Flows

For the 6 Months ended 30 September 2021

	6 months ended	
	30-Sep-21	30-Sep-20
	\$'000	\$'000
Cash flows from operating activities		
Profit/(Loss) for the period	40	(14,083)
Adjustments for:		
Bad debts written back	(178)	(90)
Depreciation of:		
- property, plant and equipment	9,824	10,255
- right-of-use assets	2,640	2,722
Gain on dilution of interest in a subsidiary	-	(15)
Gain on disposal of:		
- property, plant and equipment	(271)	(250)
- assets held for sale	-	(2,779)
Expected credit losses recognised/(reversed) on trade and other receivables and contract assets	53	(37)
Impairment losses recognised/(reversed) on trade and other receivables and contract assets	1,408	(2)
Net finance expenses	268	876
Provisions for:		
- onerous contracts	217	-
- rectification costs	546	936
Share of loss of associates (net of tax)	29	98
Write-down of plant and equipment	240	332
Tax expense	343	367
Operating activities before working capital changes	15,159	(1,670)
Changes in working capital:		
Inventories	(1,216)	(568)
Contract assets, trade and other receivables and tax recoverable	(16,493)	33,369
Contract liabilities, trade and other payables and provisions	2,865	(24,988)
Cash generated from operations	315	6,143
Taxes paid	(189)	(345)
Interest received	82	69
Net cash generated from operating activities	208	5,867

Condensed Interim Consolidated Statement of Cash Flows (Cont'd)
For the 6 Months ended 30 September 2021

	6 months ended	
	<u>30-Sep-21</u>	<u>30-Sep-20</u>
	\$'000	\$'000
Cash flows from investing activities		
Dividends received from an associate	70	-
Purchase of:		
- property, plant and equipment	(6,189)	(1,918)
- investment property	(4)	(90)
Proceeds from disposal of:		
- property, plant and equipment	663	575
- assets held for sale	-	17,130
Acquisition of:		
- a subsidiary, net of cash acquired	32	-
- non-controlling interests of a subsidiary	(3,292)	-
Loan repayment from an associate	-	466
Additional capital injection in an associate	-	(3,800)
Net cash (used in)/generated from investing activities	(8,720)	12,363
Cash flows from financing activities		
Interest paid	(1,466)	(1,793)
Dividends paid:		
- non-controlling interests of a subsidiary	-	(150)
Proceeds from:		
- bank loans and finance lease loans	16,387	23,207
- bills payable	57,208	30,358
- issue of shares from exercise of warrants, net of expenses	-	1,120
Repayment of:		
- bank loans	(12,482)	(17,799)
- bills payable	(49,722)	(38,855)
- finance lease liabilities	(5,130)	(4,815)
- lease liabilities *	(2,709)	(2,713)
Increase in fixed deposit pledged	(450)	-
Net cash generated from/(used in) financing activities	1,636	(11,440)
Net (decrease)/increase in cash and cash equivalents	(6,876)	6,790
Cash and cash equivalents at 1 April	31,326	14,302
Effect of exchange rate changes on balances held in foreign currencies	10	(98)
Cash and cash equivalents at 30 September	24,460	20,994
Comprising:		
Cash and cash equivalents	29,140	26,135
Bank overdrafts	(4,080)	(4,991)
	25,060	21,144
Less:		
Fixed deposits pledged as security for bank facilities	(600)	(150)
Cash and cash equivalents in the consolidated cash flow statement	24,460	20,994

* Relating to Right-of-use assets.

Notes to the Condensed Interim Financial Statements

1. Corporate information

CSC Holdings Limited (“the Company”) is a company incorporated in the Republic of Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange.

The principal activity of the Company is that of investment holding. The Group is primarily involved in piling works, civil engineering works, trading and leasing of heavy foundation equipment, soil investigation and surveying works.

The condensed interim financial statements as at and for the 6 months ended 30 September 2021 relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in equity-accounted investees.

2. Basis of preparation

The condensed consolidated interim financial information of the Group has been prepared in accordance with the Singapore Financial Reporting Standard (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. They do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 March 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in note 2.1.

The condensed interim 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.

2.1 New and amended standards adopted by the Group

The Group adopted various new/revised SFRS(I)s, SFRS(I) interpretations and amendments to SFRS(I)s applicable for the financial period beginning on 1 April 2021. The application of these standards and interpretations did not have a material effect on the condensed interim financial statements.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. 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.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2021.

3. Seasonal operations

The Group’s businesses are not affected significantly by seasonal or cyclical factors during the financial period.

Notes to the Condensed Interim Financial Statements (Cont'd)

4. Revenue and segment information

(a) Revenue

	6 months ended	
	30/09/2021	30/09/2020
	\$'000	\$'000
Revenue from contracts with customers	118,072	49,209
Rental income	5,017	3,602
	<u>123,089</u>	<u>52,811</u>

The Group's operations and main revenue streams are those described in the last annual consolidated financial statements for the year ended 31 March 2021.

Disaggregation of revenue

In the following table, revenue is disaggregated by geographical regions and timing of revenue recognition.

	Foundation and Geotechnical Engineering		Sales and Lease of Equipment		Total Reportable Segments	
	6 months ended		6 months ended		6 months ended	
	30/09/2021	30/09/2020	30/09/2021	30/09/2020	30/09/2021	30/09/2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Geographical regions						
Singapore	88,679	36,022	16,533	3,877	105,212	39,899
Malaysia	7,473	8,144	123	213	7,596	8,357
Thailand	-	-	230	340	230	340
India	-	-	3,596	452	3,596	452
Philippines	-	-	737	93	737	93
Hong Kong	-	-	352	59	352	59
China	-	-	348	9	348	9
Other region	-	-	1	-	1	-
	<u>96,152</u>	<u>44,166</u>	<u>21,920</u>	<u>5,043</u>	<u>118,072</u>	<u>49,209</u>
Major revenue streams						
Construction contracts	95,839	44,041	-	-	95,839	44,041
Trading of plant and equipment	313	125	21,920	5,043	22,233	5,168
	<u>96,152</u>	<u>44,166</u>	<u>21,920</u>	<u>5,043</u>	<u>118,072</u>	<u>49,209</u>
Timing of revenue recognition						
Products transferred at a point in time	313	125	21,559	4,879	21,872	5,004
Products and services transferred over time	95,839	44,041	361	164	96,200	44,205
	<u>96,152</u>	<u>44,166</u>	<u>21,920</u>	<u>5,043</u>	<u>118,072</u>	<u>49,209</u>

Notes to the Condensed Interim Financial Statements (Cont'd)

4. Revenue and segment information (cont'd)

(b) Segment information

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

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

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

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

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

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

	Foundation and Geotechnical Engineering		Sales and Lease of Equipment		Total Reportable Segments	
	6 months ended		6 months ended		6 months ended	
	30/09/2021	30/09/2020	30/09/2021	30/09/2020	30/09/2021	30/09/2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from contracts with customers	96,152	44,166	21,920	5,043	118,072	49,209
Rental income	3	27	5,014	3,575	5,017	3,602
External revenue	96,155	44,193	26,934	8,618	123,089	52,811
Inter-segment revenue	7,943	5,994	2,065	5,290	10,008	11,284
Reportable segment profit/ (loss) before tax	162	(11,687)	(363)	(1,630)	(201)	(13,317)
	As at 30/09/2021	As at 31/03/2021	As at 30/09/2021	As at 31/03/2021	As at 30/09/2021	As at 31/03/2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Reportable segment assets	196,470	190,335	113,388	107,937	309,858	298,272
Reportable segment liabilities	114,790	106,238	65,040	59,656	179,830	165,894

Notes to the Condensed Interim Financial Statements (Cont'd)

4. Revenue and segment information (cont'd)

(b) Segment information (cont'd)

	6 months ended	
	30/09/2021	30/09/2020
	\$'000	\$'000
Profit or loss before tax		
Total loss before tax for reportable segments	(201)	(13,317)
Profit before tax for other segments	33	45
	<u>(168)</u>	<u>(13,272)</u>
Elimination of inter-segment transactions	3,300	1,740
Unallocated amounts:		
- other corporate expenses	(2,720)	(2,086)
Share of loss of associates (net of tax)	(29)	(98)
Consolidated profit/(loss) before tax	<u>383</u>	<u>(13,716)</u>
	As at	As at
	30/09/2021	31/03/2021
	\$'000	\$'000
Assets		
Total assets for reportable segments	309,858	298,272
Assets for other segments	18,931	19,075
	<u>328,789</u>	<u>317,347</u>
Investments in associates	3,132	3,260
Deferred tax assets	40	42
Tax recoverable	620	414
Other unallocated amounts	2,703	4,445
Consolidated total assets	<u>335,284</u>	<u>325,508</u>
Liabilities		
Total liabilities for reportable segments	179,830	165,894
Liabilities for other segments	4,476	4,661
	<u>184,306</u>	<u>170,555</u>
Deferred tax liabilities	2,515	2,052
Current tax payable	176	280
Other unallocated amounts	4,012	4,930
Consolidated total liabilities	<u>191,009</u>	<u>177,817</u>

Notes to the Condensed Interim Financial Statements (Cont'd)

5. Profit/(Loss) before tax

Profit/(Loss) before tax includes the following items:

	6 months ended	
	30/09/2021	30/09/2020
	\$'000	\$'000
(a) Cost of sales		
Depreciation of:		
- property, plant and equipment	9,576	9,855
- right-of-use assets ⁽¹⁾	1,770	1,837
Government assistances	(1,715)	(6,406)
Provisions for:		
- onerous contracts	217	-
- rectification costs	546	936
⁽¹⁾ Arising from application of SFRS(I) 16 <i>Leases</i> .		
(b) Other income		
Gain on dilution of interest in a subsidiary	-	15
Gain on disposal of:		
- property, plant and equipment	271	250
- assets held for sale	-	2,779
(c) Administrative expenses		
Depreciation of:		
- property, plant and equipment	248	400
- right-of-use assets ⁽¹⁾	870	885
Exchange loss	432	12
Government assistances	(767)	(2,566)
⁽¹⁾ Arising from application of SFRS(I) 16 <i>Leases</i> .		
(d) Other operating expenses		
Bad debts written back	(178)	(90)
Expected credit losses recognised/(reversed) on trade and other receivables and contract assets ⁽¹⁾	53	(37)
Impairment losses recognised/(reversed) on trade and other receivables and contract assets ⁽²⁾	1,408	(2)
Write-down of plant and equipment	240	332

⁽¹⁾ Arising from application of SFRS(I) 9 *Financial Instruments* and is reviewed on a periodic basis.

⁽²⁾ The Group's accounts receivables position is reviewed on a periodic basis. Impairment losses are made where required, after assessing the probability of recovering the accounts receivables. Amounts written back are cash recovered from receivables previously impaired.

Notes to the Condensed Interim Financial Statements (Cont'd)

6. Tax expense

	6 months ended	
	30/09/2021	30/09/2020
	\$'000	\$'000
Current tax expense		
- current period	129	44
- over provided in prior years	(249)	(33)
	<u>(120)</u>	<u>11</u>
Deferred tax expense		
- current period	119	(63)
- under provided in prior years	344	419
	<u>463</u>	<u>356</u>
	<u>343</u>	<u>367</u>

7. Loss per share

(a) Basic loss per ordinary share

	6 months ended	
	30/09/2021	30/09/2020
Based on the weighted average number of ordinary shares on issue	(0.003) cents	(0.50) cents

	6 months ended	
	30/09/2021	30/09/2020
	\$'000	\$'000
Basic loss per ordinary share is based on: Net loss attributable to ordinary shareholders	<u>(108)</u>	<u>(13,223)</u>

	6 months ended	
	30/09/2021	30/09/2020
Weighted average number of: Issued ordinary shares at beginning of the period	3,588,348,176	2,618,310,336
Issue of shares via exercise of warrants	-	34,066,249
Ordinary shares held as treasury shares	(20,520,000)	(20,520,000)
Weighted average number of ordinary shares used to compute loss per ordinary share	<u>3,567,828,176</u>	<u>2,631,856,585</u>

(b) Diluted loss per ordinary share

	6 months ended	
	30/09/2021	30/09/2020
On a fully diluted basis	(0.003) cents	(0.50) cents

	6 months ended	
	30/09/2021	30/09/2020
	\$'000	\$'000
Diluted loss per ordinary share is based on: Net loss attributable to ordinary shareholders	<u>(108)</u>	<u>(13,223)</u>

Notes to the Condensed Interim Financial Statements (Cont'd)

7. Loss per share (cont'd)

For the purpose of calculating the diluted loss per ordinary share, the weighted average number of ordinary shares in issue is adjusted to take into account the dilutive effect arising from the dilutive warrants with the potential ordinary shares weighted for the period outstanding.

	6 months ended	
	30/09/2021	30/09/2020
Weighted average number of: Ordinary shares used in the calculation of basic loss per ordinary share	3,567,828,176	2,631,856,585
Potential ordinary shares issuable under exercise of warrants	-	*
Weighted average number of ordinary shares issued and potential shares assuming full conversion	<u>3,567,828,176</u>	<u>2,631,856,585</u>

* The Group was in a loss position for the 6 months ended 30 September 2020, the warrants were not included in the computation of diluted loss per ordinary share as these potential ordinary shares were anti-dilutive.

8. Property, plant and equipment

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

	Group	
	As at 30/09/2021 \$'000	As at 31/03/2021 \$'000
<u>Cost/Valuation</u>		
Opening balance	385,001	382,396
Additions	5,684	8,397
Reclassification from inventories	2,263	7,159
Revaluation	500	(492)
Elimination of accumulated depreciation against cost on revaluation	-	(828)
Transfer to inventories	(247)	(7,764)
Reclassification from assets held for sale	-	622
Disposals/Write-offs	(806)	(2,955)
Translation differences on consolidation	(1,124)	(1,534)
Closing balance	<u>391,271</u>	<u>385,001</u>
<u>Accumulated depreciation and impairment losses</u>		
Opening balance	260,018	249,930
Depreciation charge	9,824	20,753
Impairment loss	226	12
Elimination of accumulated depreciation against cost on revaluation	-	(828)
Transfer to inventories	(34)	(6,900)
Reclassification from assets held for sale	-	315
Disposals/Write-offs	(332)	(2,461)
Translation differences on consolidation	(397)	(803)
Closing balance	<u>269,305</u>	<u>260,018</u>
Carrying amount	<u>121,966</u>	<u>124,983</u>

Notes to the Condensed Interim Financial Statements (Cont'd)

8. Property, plant and equipment (cont'd)

During the 6 months ended 30 September 2021, the Group acquired assets amounting to \$5,684,000 (31 March 2021: \$8,397,000), of which \$3,167,000 pertains to the acquisition of a leasehold property, and disposed of assets amounting to \$474,000 (31 March 2021: \$494,000).

9. Investment property

	Group	
	As at 30/09/2021 \$'000	As at 31/03/2021 \$'000
At 1 April	212	187
Additions	4	106
Reclassification from trade receivables	8	-
Reclassification to assets held for sale	(74)	-
Disposals/write-offs	-	(78)
Translation differences	1	(3)
At 30 September/31 March	151	212

As at 30 September 2021, the residential properties still remain under construction and hence, the fair values cannot be measured reliably.

10. Investment in associates

Coldhams Alliance Pte. Ltd.

On 28 September 2021, the Group acquired the remaining 52.5% effective equity interest in Coldhams Alliance Pte. Ltd. ("CA") for a cash consideration of \$23,000. The purchase consideration was negotiated at arm's length and on a willing-buyer willing-seller basis, after taking into consideration the unaudited net assets of CA as at 31 August 2021. As a result, the Group's effective equity interest in CA increased from 47.5% to 100%. From the date of acquisition to 30 September 2021, CA did not contribute any revenue and profit to the Group's results. If the acquisition had occurred on 1 April 2021, management estimated that consolidated revenue would have been \$123,089,000 and consolidated profit (after tax) for the period would have been \$122,000.

The acquisition represented a strategic and long-term investment in CA. The Group would be in a position to better optimise the operations and resources of both the Group and CA.

The following summarises the consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	\$'000
Cash and cash equivalents	55
Trade and other payables	(5)
Total identifiable net assets	50
Cash consideration paid	(23)
Net cash acquired	55
Net cash inflow arising from the acquisition	32

Notes to the Condensed Interim Financial Statements (Cont'd)

11. Inventories

	Group	
	As at 30/09/2021 \$'000	As at 31/03/2021 \$'000
Equipment and machinery held for sale	21,108	20,278
Spare parts	9,587	9,188
Construction materials on sites	3,703	1,978
	<u>34,398</u>	<u>31,444</u>

12. Share capital

	Group and Company			
	As at 30/09/2021		As at 31/03/2021	
	Number of shares	\$'000	Number of shares	\$'000
Issued and fully-paid ordinary shares with no par value:				
At 1 April	3,588,348,176	94,089	2,618,310,336	84,389
Exercise of warrants *	-	-	970,037,840	9,700
At 30 September/ 31 March 2021	<u>3,588,348,176</u>	<u>94,089</u>	<u>3,588,348,176</u>	<u>94,089</u>

* Rights cum Warrants Issue dated 30 December 2015 expired on 29 December 2020.

As at 30 September 2021, there were no outstanding share options or warrants (30 September 2020: 919,424,570 warrants) for conversion into ordinary shares.

There were no share buybacks for the 6 months ended 30 September 2021. There were 20,520,000 shares held as treasury shares as at 30 September 2021 (30 September 2020: 20,520,000 shares), representing 0.6% (30 September 2020: 0.8%) of the total number of ordinary shares issued (excluding treasury shares). There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at 30 September 2021.

The total number of ordinary shares issued (excluding treasury shares) as at 30 September 2021 was 3,567,828,176 (31 March 2021: 3,567,828,176) ordinary shares.

The Company's subsidiaries do not hold any shares in the Company as at 30 September 2021 and 31 March 2021.

Notes to the Condensed Interim Financial Statements (Cont'd)

13. Loans and borrowings

	Group	
	As at 30/09/2021 \$'000	As at 31/03/2021 \$'000
<u>Amount repayable in one year or less, or on demand</u>		
Secured	10,425	12,977
Unsecured	51,110	46,776
	61,535	59,753
 <u>Amount repayable after one year</u>		
Secured	15,277	7,653
Unsecured	8,127	9,247
	23,404	16,900
	84,939	76,653

Details of any collateral

The Group's loans and borrowings were \$84,939,000 (31 March 2021: \$76,653,000) and consist of overdrafts, bills payable, finance leases and bank loans. Included in the amounts repayable within one year were bills payable amounting to \$21,039,000 (31 March 2021: \$13,549,000).

The loans and borrowings are secured by legal mortgages over the Group's assets listed below and guaranteed by the Company, out of which \$8,699,000 (31 March 2021: \$8,507,000) are also guaranteed by a related corporation:

- a) \$19,151,000 (31 March 2021: \$15,061,000) in respect of plant and machinery acquired under hire purchase arrangements;
- b) \$4,232,000 (31 March 2021: \$4,432,000) which are secured by a charge over the leasehold land and property;
- c) \$1,429,000 (31 March 2021: \$Nil) which are secured by a charge over the leasehold property and fixed deposit; and
- d) \$890,000 (31 March 2021: \$1,137,000) which are secured by a charge over the fixed deposit of the Group.

Notes to the Condensed Interim Financial Statements (Cont'd)

14. Dividends

No interim dividends were paid by the Company in respect of the 6 months ended 30 September 2021 and 2020.

15. Net asset value

	Group		Company	
	As at 30/09/2021 Cents	As at 31/03/2021 Cents	As at 30/09/2021 Cents	As at 31/03/2021 Cents
Net asset value per ordinary shares	4.0	4.1	3.1	3.0

The net asset value per ordinary share is calculated based on net asset value of \$144,275,000 (31 March 2021: \$147,691,000) over the total number of ordinary shares issued (excluding treasury shares) as at 30 September 2021 of 3,567,828,176 (31 March 2021: 3,567,828,176) ordinary shares.

16. Commitments

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

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

	As at 30/09/2021 \$'000	As at 30/03/2021 \$'000
Capital commitment in respect of:		
- acquisition of property, plant and equipment	-	3,049

17. 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:

	6 months ended	
	30/09/2021 \$'000	30/09/2020 \$'000
Short-term employee benefits	3,027	2,637
Post-employment benefits (including CPF)	129	118
	<u>3,156</u>	<u>2,755</u>

Notes to the Condensed Interim Financial Statements (Cont'd)

17. Related parties (cont'd)

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

	6 months ended	
	30/09/2021	30/09/2020
	\$'000	\$'000
Professional fees	15	15

Other related party transactions

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

	6 months ended	
	30/09/2021	30/09/2020
	\$'000	\$'000
Companies in which a director and a substantial shareholder of the Group have substantial financial interests		
Revenue from foundation engineering works	42	47
Revenue from rental and service income	89	82
Revenue from trading of plant and equipment	-	37
Expenses related to short-term leases	(727)	(1,114)
Purchase of plant and equipment	(204)	(20)
Upkeep of machinery and equipment expenses	(22)	(40)

18. Acquisition of non-controlling interests of a subsidiary

ICE Far East Pte. Ltd.

On 8 April 2021, the minority shareholder of ICE Far East Pte. Ltd. and its subsidiaries ("ICE") exercised his option under the shareholders agreement dated 16 May 2011 to sell his remaining 15% equity interests in ICE for a cash consideration of \$3,370,000 to THL Foundation Equipment Pte. Ltd. ("THLFE"), a 55% owned subsidiary of the Group ("the Acquisition"). The purchase consideration was negotiated at arm's length and on a willing-buyer willing-seller basis, after taking into consideration the unaudited consolidated net asset value of ICE as at 31 March 2021.

The Acquisition was completed in July 2021, and following this, the Group's effective interest in ICE increased from 46.75% to 55%. As at 30 September 2021, the Group paid a purchase consideration of \$3,292,000 and the remaining \$78,000 will be paid by 31 December 2023.

The carrying amount of ICE's net assets in the Group's financial statements on the date of the acquisition was \$23,704,000. The Group recognised a decrease in other reserve and non-controlling interests of \$1,414,000 and \$1,956,000 respectively.

Notes to the Condensed Interim Financial Statements (Cont'd)

18. Acquisition of non-controlling interests of a subsidiary (cont'd)

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

	\$'000
Carrying amount of non-controlling interests acquired	1,956
Consideration paid to non-controlling interests	(3,292)
Deferred consideration	<u>(78)</u>
Decrease in equity attributable to owners of the Company	<u>(1,414)</u>

19. Fair value of financial assets and financial liabilities

The accounting policies involving the most significant judgements and estimates used in the preparation of the condensed interim financial statements are consistent with those found in the last audited financial statements for the year ended 31 March 2021.

Fair value hierarchy

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).

Fair values versus carrying amounts

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

Notes to the Condensed Interim Financial Statements (Cont'd)

19. Fair value of financial instruments (cont'd)

Group	Carrying amount				Fair value				
	Mandatorily at FVTPL – others \$'000	Amortised cost \$'000	FVOCI – equity instruments \$'000	Other financial liabilities \$'000	Total carrying amount \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
30 September 2021									
Financial assets measured at fair value									
Debt investments – mandatorily at FVTPL	–	–	–	–	–	–	–	–	–
Equity investments – at FVOCI	–	–	163	–	163	–	–	163	163
	–	–	163	–	163				
Financial assets not measured at fair value									
Trade and other receivables [#]	–	72,503	–	–	72,503	–	72,503	–	72,503
Cash and cash equivalents	–	29,140	–	–	29,140				
	–	101,643	–	–	101,643				
Financial liabilities not measured at fair value									
Bank overdrafts	–	–	–	(4,080)	(4,080)				
Bills payable	–	–	–	(21,039)	(21,039)				
Secured bank loans	–	–	–	(6,551)	(6,551)				
Unsecured bank loans	–	–	–	(34,118)	(34,118)	–	(34,126)	–	(34,126)
Trade and other payables [*]	–	–	–	(90,077)	(90,077)				
	–	–	–	(155,865)	(155,865)				
31 March 2021									
Financial assets measured at fair value									
Debt investments – mandatorily at FVTPL	–	–	–	–	–	–	–	–	–
Equity investments – at FVOCI	–	–	162	–	162	–	–	162	162
	–	–	162	–	162				
Financial assets not measured at fair value									
Trade and other receivables [#]	–	61,591	–	–	61,591	–	61,591	–	61,591
Cash and cash equivalents	–	34,604	–	–	34,604				
	–	96,195	–	–	96,195				
Financial liabilities not measured at fair value									
Bank overdrafts	–	–	–	(3,128)	(3,128)				
Bills payable	–	–	–	(13,549)	(13,549)				
Secured bank loans	–	–	–	(5,569)	(5,569)				
Unsecured bank loans	–	–	–	(39,346)	(39,346)				
Trade and other payables [*]	–	–	–	(82,396)	(82,396)				
	–	–	–	(143,988)	(143,988)				

Excludes prepayments

* Excludes deposits received and deferred grant income

Notes to the Condensed Interim Financial Statements (Cont'd)

19. Fair value of financial instruments (cont'd)

	Carrying amount			Fair value			
	Amortised cost \$'000	Other financial liabilities \$'000	Total carrying amount \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Company							
30 September 2021							
Financial assets not measured at fair value							
Trade and other receivables [#]	31,473	–	31,473	–	31,473	–	31,473
Cash and cash equivalents	1,844	–	1,844				
	<u>33,317</u>	<u>–</u>	<u>33,317</u>				
Financial liabilities not measured at fair value							
Unsecured bank loan	–	(2,759)	(2,759)	–	(2,764)	–	(2,764)
Trade and other payables [*]	–	(11,230)	(11,230)				
	<u>–</u>	<u>(13,989)</u>	<u>(13,989)</u>				
31 March 2021							
Financial assets not measured at fair value							
Trade and other receivables [#]	28,480	–	28,480	–	28,480	–	28,480
Cash and cash equivalents	3,458	–	3,458				
	<u>31,938</u>	<u>–</u>	<u>31,938</u>				
Financial liabilities not measured at fair value							
Unsecured bank loan	–	(3,000)	(3,000)				
Trade and other payables [*]	–	(11,420)	(11,420)				
	<u>–</u>	<u>(14,420)</u>	<u>(14,420)</u>				

Excludes prepayments

* Excludes deferred grant income

Estimation of fair values

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

Debt investments and equity investments

In view of the continued losses and the lack of a viable business plan and future expected cash flows, the fair value of the debt investment is determined using the net asset value of the investment. As the investment is in a net liability position, the fair value of the debt investment as at 31 March 2021 and 30 September 2021 was determined to be \$Nil. The estimated fair value would increase if the net asset value of the investee was higher.

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

Notes to the Condensed Interim Financial Statements (Cont'd)

19. Fair value of financial instruments (cont'd)

Non-current trade and other receivables

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

Floating interest rate bank loans

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

Fixed interest rate bank loans

The fair values of fixed interest bearing loans have been determined by discounting the expected payments with current interest rates for similar instruments at the reporting date.

Other financial assets and liabilities

The notional amounts of financial assets and liabilities with a maturity of less than one year (including current trade and other receivables, 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.

Transfers between Levels 1, 2 and 3

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

Level 3 fair values

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

Group	Equity investments – FVOCI \$'000	Debt investments – mandatorily at FVTPL \$'000
At 1 April 2021	162	–
Effect of movements in exchange rates	1	–
At 30 September 2021	<u>163</u>	<u>–</u>

Other information required by Listing Rule Appendix 7.2

1. Review of the Performance of the Group

A. Consolidated Statement of Profit or Loss

1HFY22 – for the 6 months ended 30 September 2021

2HFY21 – for the 6 months ended 31 March 2021

1HFY21 – for the 6 months ended 30 September 2020

Review of Results for the 6 Months Ended 30 September 2021

	1HFY22 \$'000	2HFY21 \$'000	Change %	1HFY22 \$'000	1HFY21 \$'000	Change %
Revenue	123,089	125,522	(1.9)	123,089	52,811	>100.0
Cost of Sales	(110,730)	(109,942)	0.7	(110,730)	(65,669)	68.6
Gross Profit/(Loss) before Government Assistancess	12,359	15,580	(20.7)	12,359	(12,858)	N.M.
<i>Gross Profit/(Loss) Margins</i>	10.0%	12.4%		10.0%	-24.3%	
Government Assistancess	1,715	1,740	(1.4)	1,715	6,406	(73.2)
Gross Profit/(Loss)	14,074	17,320	(18.7)	14,074	(6,452)	N.M.
<i>Gross Profit/(Loss) Margins</i>	11.4%	13.8%		11.4%	-12.2%	
Other Income	485	549	(11.7)	485	3,314	(85.4)
Operating Expenses	(14,646)	(15,952)	(8.2)	(14,646)	(12,170)	20.3
Government Assistancess	767	(52)	N.M.	767	2,566	(70.1)
Profit/(Loss) from Operating Activities	680	1,865	(63.5)	680	(12,742)	N.M.
Net Finance Expenses	(268)	(290)	(7.6)	(268)	(876)	(69.4)
Share of Loss of Associates	(29)	(219)	(86.8)	(29)	(98)	(70.4)
Profit/(Loss) before Tax	383	1,356	(71.8)	383	(13,716)	N.M.
Tax (Expense)/Credit	(343)	364	N.M.	(343)	(367)	(6.5)
Period/(Loss) for the period	40	1,720	(97.7)	40	(14,083)	N.M.
EBITDA	13,115	14,965	(12.4)	13,115	137	>100.0

Revenue

The Group recorded revenue of \$123.1 million for 1HFY22, representing a 133.1% increase over \$52.8 million recorded in 1HFY21, and a 1.9% decline from the \$125.5 million recorded in 2HFY21.

The year-on-year improvement reflects the higher level of construction activity, compared to the same period a year ago when mandatory work stoppage was imposed by the Government on the construction sector as part of the effort to contain the spread of COVID-19. Nevertheless, the Group experienced a slow start in 1HFY22 in view of the manpower shortage and safe management measures imposed by the local authorities, as well as delays in commencement of new projects secured in Singapore. While there was a gradual pick-up in activity in June 2021, overall productivity was affected by the challenging working conditions at project sites due to the unexpected heavy rainfall in August 2021, and the disruption in the supply of steel cages due to manpower shortage experienced by the suppliers.

Other information required by Listing Rule Appendix 7.2 (Cont'd)

1. Review of the Performance of the Group (Cont'd)

A. Consolidated Statement of Profit or Loss (Cont'd)

Revenue (Cont'd)

In Malaysia, revenue for 1HFY22 was affected by the suspension of construction activities due to the implementation of Movement Control Order 3.0 from 12 May 2021 to 31 May 2021, and total nationwide lockdown from 1 June 2021 to 1 August 2021.

The Group's equipment trading division contributed higher revenue of \$26.9 million in 1HFY22 (2HFY21: \$1.9 million).

Gross Profit/(Loss) and Gross Profit/(Loss) Margins

On the back of the significantly higher activities year-on-year, the Group recorded a turnaround in gross profit and gross profit margin to \$14.1 million and 11.4%, from the gross loss and gross loss margin of \$6.5 million and 12.2% in 1HFY21.

However, the Group was also faced with margin pressure amid rising material and manpower costs compared to 2HFY21. The price hike across the global market due to supply chain disruptions was sustained by high demand and competition. Additional costs were also incurred to comply with safety and other pandemic control measures required. Consequently, gross profit and gross profit margin was lower compared to 2HFY21's gross profit of \$17.3 million and gross profit margin of 13.8%.

To mitigate the cost impact, the Group negotiated with main contractors or project owners for locked-in prices for key construction materials.

The Group received \$1.7 million of COVID-19 support grants from the Singapore government in 1HFY22 (1HFY21: \$6.4 million). This was mainly in the form of Jobs Support Scheme grants and foreign workers' levy rebates.

Other Income

	1HFY22 \$'000	2HFY21 \$'000	Change %	1HFY22 \$'000	1HFY21 \$'000	Change %
Gain on Disposal of:						
- Property, Plant & Equipment	271	151	79.5	271	250	8.4
- Assets Held for Sale						
- Leasehold property, 2TPC	-	-	N.M.	-	2,818	N.M.
- Property, Plant & Equipment	-	-	N.M.	-	(39)	N.M.
	271	151	79.5	271	3,029	(91.1)
Other Miscellaneous Income	214	398	(46.2)	214	285	(24.9)
Other Income	485	549	(11.7)	485	3,314	(85.4)

The Group recorded lower other income of \$0.5 million for 1HFY22 (1HFY21: \$3.3 million), in the absence of a \$2.8 million gain that was recorded in 1HFY21 from the disposal of leasehold property located at No 2, Tanjong Penjuru Crescent ("2TPC") to a joint venture with LOGOS group in 1HFY21.

Other income for 2HFY21 was comparable to the \$0.5 million recorded in 2HFY21.

Other information required by Listing Rule Appendix 7.2 (Cont'd)

1. Review of the Performance of the Group (Cont'd)

A. Consolidated Statement of Profit or Loss (Cont'd)

Operating Expenses

	1HFY22 \$'000	2HFY21 \$'000	Change %	1HFY22 \$'000	1HFY21 \$'000	Change %
Other Operating Expenses	12,513	12,304	1.7	12,513	11,865	5.5
a) Expected Credit Losses Recognised/ (Reversed) on Trade and Other Receivables and Contract Assets	53	275	(80.7)	53	(37)	N.M.
b) Impairment Losses Recognised/ (Reversed) on Trade and Other Receivables and Contract Assets	1,408	2,117	(33.5)	1,408	(2)	N.M.
c) Impairment Losses/Write-Down of Other Assets	240	491	(51.1)	240	332	(27.7)
d) Exchange Loss	432	765	(43.5)	432	12	>100.0
Operating Expenses	14,646	15,952	(8.2)	14,646	12,170	20.3
Government Assistances	(767)	52	N.M.	(767)	(2,566)	(70.1)
Operating Expenses (Net of Government Assistances) *	13,879	16,004	(13.3)	13,879	9,604	44.5
Other Operating Expenses /Revenue	10.2%	9.8%		10.2%	N.M.	

* Comprises of Distribution Expenses, Administrative Expenses and Other Operating Expenses.

Other operating expenses for 1HFY22 increased by 5.5% to \$12.5 million (1HFY21: \$11.9 million) as the Group had implemented a series of cost reduction measures, such as salary reduction and mandatory clearance of annual leave across the board during Circuit Breaker and Movement Control Order periods in 1HFY21.

The Group recorded a foreign exchange loss of \$0.4 million for 1HFY22 (1HFY21: \$0.01 million). This was mainly due to the strengthening of Chinese Renminbi against Singapore Dollar for the payments to China suppliers in 1HFY22, while taking into account the weakening of the currencies in the countries where the Group operates, especially Thailand, against regional currencies in 1HFY22.

The Group received \$0.8 million in grants, mainly from the Jobs Support Scheme and foreign worker levy rebates, which helped to defray the operating expenses incurred in 1HFY22.

Other information required by Listing Rule Appendix 7.2 (Cont'd)

1. Review of the Performance of the Group (Cont'd)

A. Consolidated Statement of Profit or Loss (Cont'd)

Net Finance Expenses

	1HFY22 \$'000	2HFY21 \$'000	Change %	1HFY22 \$'000	1HFY21 \$'000	Change %
Interest Income	82	148	(44.6)	82	69	18.8
Interest Expenses	(1,390)	(1,311)	6.0	(1,390)	(1,553)	(10.5)
Net Interest Expenses	(1,308)	(1,163)	12.5	(1,308)	(1,484)	(11.9)
Imputed Interest on Non- Current Assets	1,114	994	12.1	1,114	809	37.7
Interest Expenses on Lease Liabilities	(74)	(121)	(38.8)	(74)	(201)	(63.2)
Net Finance Expenses	(268)	(290)	(7.6)	(268)	(876)	(69.4)

Net interest expenses by 11.9% to \$1.3 million for 1HFY22 (1HFY21: \$1.5 million). The decrease was mainly due to a year-on-year decrease in average loans and borrowings. In addition, the lower interest rates charged by financial institutions during the period also contributed to the decrease in net interest expenses.

Net interest expenses for 1HFY22 was higher than the \$1.2 million in 2HFY21 following the higher usage of project financing facilities in 1HFY22.

(Loss)/Profit for the period

The Group recorded net profit before tax of \$0.4 million in 1HFY22, a turnaround from a loss before tax of \$13.7 million in 1HFY21, and positive earnings before interest, tax, depreciation and amortization (EBITDA) of \$13.1 million (1HFY21: \$0.1 million).

Loss per share for 1HFY22 was 0.003 cent (1HFY21: 0.50 cent).

Other information required by Listing Rule Appendix 7.2 (Cont'd)

1. Review of the Performance of the Group (Cont'd)

B. Statement of Financial Position

Non-Current Assets

Net book value of property, plant and equipment as at 30 September 2021 was \$122.0 million (31 March 2021: \$125.0 million).

In 1HFY22, the Group acquired new property, plant and equipment amounting to \$5.7 million. This included a leasehold property worth \$3.2 million. In addition, inventories amounting to \$2.3 million were capitalised as property, plant and equipment following the reassessment of the economic uses of these inventories. The Group disposed of plant and equipment with carrying values of \$0.5 million and recorded a \$0.3 million gain on the disposal. Depreciation charge for 1HFY22 was \$9.8 million (1HFY21: \$10.3 million).

Net Current Assets

As at 30 September 2021, net current assets stood at \$21.5 million (31 March 2021: \$18.2 million). Current ratio (current assets / current liabilities) improved to 1.13 (31 March 2021: 1.11).

The Group held higher inventories of \$34.4 million as at 30 September 2021 (31 March 2021: \$31.4 million) as it had anticipated an increase in construction and equipment sale and leasing activities.

Trade and other receivables and contract assets increased by \$11.8 million (31 March 2021: \$109.1 million), while trade and other payables and contract liabilities increased by \$5.9 million (31 March 2021: \$86.3 million), in line with the higher level of business activities towards the end of 1HFY22.

Loans and Borrowings

As at 30 September 2021, total loans and borrowings stood at \$84.9 million (31 March 2021: \$76.7 million), as the Group drew down more trade facilities to better manage its cash flow. In addition, new finance lease loans and term loan were also drawn down to refinance its unencumbered equipment and the acquisition of a leasehold property.

The debt-to-equity ratio as at 30 September 2021 was 0.59 (31 March 2021: 0.52).

Equity and Net Asset Value

As at 30 September 2021, the Group's equity stood at \$144.3 million (31 March 2021: \$147.7 million), while net asset value per ordinary share was 4.0 cents (31 March 2021: 4.1 cents).

Other information required by Listing Rule Appendix 7.2 (Cont'd)

1. Review of the Performance of the Group (Cont'd)

C. Cash Flow

	1HFY22 \$'000	2HFY21 \$'000	Change %	1HFY22 \$'000	1HFY21 \$'000	Change %
Cash Flow from Operating Activities	208	16,761	(98.8)	208	5,867	(96.5)
Cash Flow from Investing Activities	(8,720)	(5,889)	48.1	(8,720)	12,363	N.M.
Cash Flow from Financing Activities	1,636	(527)	N.M.	1,636	(11,440)	N.M.
Cash and Cash Equivalents	24,460	31,326	(21.9)	24,460	20,994	16.5

Cash Flow from Operating Activities

Net cash inflow from operating activities was lower at \$0.2 million for 1HFY22 (1HFY21: \$5.9 million; 2HFY21: \$16.8 million). The Group recorded a temporary increase in trade and other receivables of \$16.5 million in 1HFY22, as a result of timing differences between billings and receipt of payments from customers. Majority of these receivables were subsequently collected in October 2021.

Cash Flow from Investing Activities

The Group recorded a net cash outflow from investing activities of \$8.7 million for 1HFY22, compared to a net cash inflow of \$12.4 million in 1HFY21. This was mainly due to the receipt of \$16.9 million from the disposal of 2TPC in 1HFY21. In addition, the Group made a partial payment of \$3.3 million for the acquisition of an additional 15% stake in ICE Far East Pte. Ltd. and its subsidiaries ("ICE Group") in 1HFY22, thereby raising its stake in ICE Group to 100%.

The net cash outflow for 1HFY22 was higher than 2HFY21, taking into account the acquisition of additional 15% stake in ICE Group.

Cash Flow from Financing Activities

Net cash inflow from financing activities was \$1.6 million for 1HFY22 (1HFY21: outflow of \$11.4 million; 2HFY21: outflow of \$0.5 million), as the Group had drawn down additional loan facilities and utilized more trade facilities to finance the business operations in 1HFY22.

Cash and Cash Equivalents

Taking into consideration all the above, the Group's cash and cash equivalents stood at \$24.5 million as at 30 September 2021 (30 September 2020: \$21.0 million; 31 March 2021: \$31.3 million).

Other information required by Listing Rule Appendix 7.2 (Cont'd)

2. Outlook

The Singapore construction industry is currently spurred by the public sector, and it is likely to continue to be so in the ensuing months.

As the country is now moving towards becoming a COVID-19-resilient nation with high vaccination coverage for all residents, including migrant workers, and coupled with the institution of safe management measures at project sites, the Group expects less work disruption at the sites arising from COVID-19 cases as compared to the prior year.

Nevertheless, the Group is mindful that construction margins remain under pressure as the cost of materials and manpower continued to increase. Prices of key construction materials and consumables such as rebar, concrete and diesel have increased over the last six months and are not expected to drop in the next six months.

Since the tightening of border restrictions in Singapore on 23 April 2021, the construction sector, including its supply chain, has been affected by manpower shortage. While the Singapore government has committed to support the construction sector by relaxing entry restrictions for new migrant workers from South Asia, the Group is still awaiting further details on the relaxation of border restrictions.

Nevertheless, the Group expects that the relaxation of border restrictions for migrant workers is likely to occur in a controlled manner. In the short term, the inflow of new migrant workers is thus unlikely to adequately replace the high number of trained migrant workers who had chosen to return to their home countries. The Group will continue to focus on the efficient deployment of its workforce.

In Malaysia, after nearly three months of suspension of all construction activities, the nationwide lockdown was lifted on 2 August 2021. Given the backlog of projects, the Group's construction activities are quickly being resumed and productivity is expected to pick up in the next six months.

The Group continues to maintain a prudent approach towards tenders for construction projects. It will continue to focus on managing asset utilisation and the optimisation of cost and operational efficiencies to reinforce its competitive position. Capital and cash flow management remain key priorities as the Group maintains a tight rein on costs.

The Group has successfully secured several significant public sector residential and infrastructure projects over the past months, which has lifted its order book to approximately \$200 million as at 10 November 2021 (28 May 2021: \$160 million). Barring unforeseen circumstances, the bulk of this order book should be delivered within the next 12 months.

Other information required by Listing Rule Appendix 7.2 (Cont'd)

3. Interested person transactions

The Company had not obtained a shareholders' mandate for the interested person transactions under Chapter 9 of the Listing Manual.

Interested person transactions carried out during the 6 months ended 30 September 2021 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)
	6 months ended 30/09/2021 \$'000	6 months ended 30/09/2021 \$'000
Tat Hong HeavyEquipment (Pte.) Ltd ⁽¹⁾	916	Nil
Tat Hong Plant Leasing Pte Ltd ⁽¹⁾	196	Nil

Note:

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

4. Audit / Review

The Group's figures have been reviewed by the Company's auditors in accordance with Singapore Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". The auditors' review report is issued in relation to the Group's Condensed Interim Financial Statements which is attached herewith. There are no qualifications or emphasis of matters in the auditors' review report.

5. Variance from Prospect Statement

No forecast or prospect statement has been disclosed to shareholders.

6. Dividend

No dividend has been declared/recommended in the current financial period and the corresponding period of the immediately preceding financial year, so as to conserve the Group's cash position.

Other information required by Listing Rule Appendix 7.2 (Cont'd)

7. Confirmation

The directors of the Company confirm that to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the financial results for the period under review to be false or misleading in any material respect pursuant to Rule 705(5) of the SGX-ST Listing Manual.

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the SGX-ST Listing Manual.

By Order of the Board

**See Yen Tarn
Executive Director and Group Chief Executive Officer
11 November 2021**