

CSC Holdings Limited and its subsidiaries
Registration Number: 199707845E

Condensed Consolidated Interim Financial Information
Six months ended 30 September 2021



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

Telephone +65 6213 3388
Fax +65 6225 0984
Internet www.kpmg.com.sg

Independent auditors' report on review of condensed consolidated interim financial information

The Board of Directors
CSC Holdings Limited

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of CSC Holdings Limited (the "Company") and its subsidiaries (the "Group") as at 30 September 2021 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes (the "Condensed Consolidated Interim Financial Information"). Management is responsible for the preparation and presentation of this Condensed Consolidated Interim Financial Information in accordance with Singapore Financial Reporting Standard (International) ("SFRS(I)") 1-34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this Condensed Consolidated Interim Financial Information based on our review.

Scope of review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of the Condensed Consolidated Interim Financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Condensed Consolidated Interim Financial Information is not prepared, in all material respects, in accordance with SFRS(I) 1-34 *Interim Financial Reporting*.



Restriction on use

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the Condensed Consolidated Interim Financial Information for the purpose of assisting the Company to meet the requirements of paragraph 3 of Appendix 7.2 of the Singapore Exchange Limited Listing Manual and for no other purpose. Our report is included in the Company's announcement of its Condensed Consolidated Interim Financial Information for the information of its members. We do not assume responsibility to anyone other than the Company for our work, for our report, or for the conclusions we have reached in our report.

KPMG LLP

KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore

11 November 2021

Condensed consolidated statement of financial position
As at 30 September 2021

	Note	30 September 2021 S'000	31 March 2021 S'000
Non-current assets			
Property, plant and equipment	3	121,966	124,983
Right-of-use assets		3,486	4,594
Goodwill		552	552
Investment property		151	212
Investments in associates		3,132	3,260
Other investments		163	162
Contract assets		16,304	11,679
Trade and other receivables		3,541	3,856
Deferred tax assets		40	42
		<u>149,335</u>	<u>149,340</u>
Current assets			
Inventories		34,398	31,444
Contract assets		51,025	50,485
Trade and other receivables		69,921	58,640
Tax recoverable		620	414
Cash and cash equivalents		29,140	34,604
		<u>185,104</u>	<u>175,587</u>
Assets held for sale		845	581
		<u>185,949</u>	<u>176,168</u>
Total assets		<u>335,284</u>	<u>325,508</u>
Equity attributable to owners of the Company			
Share capital	4	94,089	94,089
Reserves		24,248	26,368
		<u>118,337</u>	<u>120,457</u>
Non-controlling interests		25,938	27,234
Total equity		<u>144,275</u>	<u>147,691</u>
Non-current liabilities			
Loans and borrowings	5	24,028	17,756
Deferred tax liabilities		2,515	2,052
		<u>26,543</u>	<u>19,808</u>
Current liabilities			
Loans and borrowings	5	64,498	63,662
Contract liabilities		564	574
Trade and other payables		91,684	85,746
Provisions		7,544	7,747
Current tax payable		176	280
		<u>164,466</u>	<u>158,009</u>
Total liabilities		<u>191,009</u>	<u>177,817</u>
Total equity and liabilities		<u>335,284</u>	<u>325,508</u>

The accompanying notes form an integral part of these condensed consolidated interim financial information.

Condensed consolidated statement of profit or loss
For the six months ended 30 September 2021

		Six months ended	
		30 September	
	Note	2021	2020
		\$'000	\$'000
Revenue	6	123,089	52,811
Cost of sales		(109,015)	(59,263)
Gross profit/(loss)		14,074	(6,452)
Other income		485	3,314
Distribution expenses		(689)	(274)
Administrative expenses		(11,604)	(9,006)
Other operating expenses		(125)	(363)
Impairment loss (recognised)/reversed on trade and other receivables and contract assets		(1,461)	39
Results from operating activities		680	(12,742)
Finance income		1,196	878
Finance expenses		(1,464)	(1,754)
Net finance expenses		(268)	(876)
Share of loss of associates (net of tax)		(29)	(98)
Profit/(Loss) before tax		383	(13,716)
Tax expense		(343)	(367)
Profit/(Loss) for the period	7	40	(14,083)
Attributable to:			
Owners of the Company		(108)	(13,223)
Non-controlling interests		148	(860)
Profit/(Loss) for the period		40	(14,083)
Loss per share			
Basic loss per share (cents)	8	(0.003)	(0.50)
Diluted loss per share (cents)	8	(0.003)	(0.50)

The accompanying notes form an integral part of these condensed consolidated interim financial information.

Condensed consolidated statement of comprehensive income
For the six months ended 30 September 2021

	Six months ended	
	30 September	
	2021	2020
	\$'000	\$'000
Profit/(Loss) for the period	40	(14,083)
Other comprehensive expense		
Item that will not be reclassified to profit or loss:		
Revaluation surplus of property, plant and equipment	500	—
Items that are or may be reclassified subsequently to profit or loss:		
Foreign currency translation differences		
- foreign operations	(586)	(50)
Other comprehensive expense for the period, net of tax	<u>(86)</u>	<u>(50)</u>
Total comprehensive expense for the period	<u>(46)</u>	<u>(14,133)</u>
Total comprehensive expense attributable to:		
Owners of the Company	(706)	(13,236)
Non-controlling interests	660	(897)
Total comprehensive expense for the period	<u>(46)</u>	<u>(14,133)</u>

The accompanying notes form an integral part of these condensed consolidated interim financial information.

Condensed consolidated statement of changes in equity
For the six months ended 30 September 2021

Group	Share capital \$'000	Capital reserve \$'000	Reserve for own shares \$'000	Reserve on consolidation \$'000	Other reserve \$'000	Foreign currency translation reserve \$'000	Revaluation reserve \$'000	Accumulated profits \$'000	Total attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
At 1 April 2020	84,389	17,798	(2,354)	116	(920)	(6,137)	10,721	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 of property 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 interest	—	—	—	—	—	—	—	—	—	(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	(920)	(6,150)	2,026	14,351	110,376	28,079	138,455

The accompanying notes form an integral part of these condensed consolidated interim financial information.

Condensed consolidated statement of changes in equity (continued)
For the six months ended 30 September 2021

Group	Share capital \$'000	Capital reserve \$'000	Reserve for own shares \$'000	Reserve on consolidation \$'000	Other reserve \$'000	Foreign currency translation reserve \$'000	Revaluation reserve \$'000	Accumulated profits \$'000	Total attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
At 1 April 2021	94,089	17,798	(2,354)	116	(920)	(6,425)	1,385	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	(2,334)	(6,782)	1,062	16,742	118,337	25,938	144,275

The accompanying notes form an integral part of these condensed consolidated interim financial information.

Condensed consolidated statement of cash flows
For the six months ended 30 September 2021

	Six months ended	
	30 September	
	2021	2020
	\$'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)
Impairment losses recognised/(reversed) on:		
- property, plant and equipment	226	60
- trade and other receivables and contract assets	1,461	(39)
Inventories written down	14	272
Net finance expenses	268	876
Provision for onerous contract	217	—
Provision for rectification costs	546	936
Share of loss of associates (net of tax)	29	98
Tax expense	343	367
	<hr/> 15,159	<hr/> (1,670)
Changes in:		
- Inventories	(1,216)	(568)
- Contract assets	(5,297)	16,066
- Trade and other receivables	(11,196)	17,303
- Contract liabilities	(10)	1,102
- Trade and other payables	3,841	(26,728)
- Provision for onerous contract	(217)	—
- Provision for rectification costs	(749)	638
Cash generated from operations	<hr/> 315	<hr/> 6,143
Taxes paid	(189)	(345)
Interest received	<hr/> 82	<hr/> 69
Net cash generated from operating activities	<hr/> 208	<hr/> 5,867

The accompanying notes form an integral part of these condensed consolidated interim financial information.

Condensed consolidated statement of cash flows (cont'd)
For the six months ended 30 September 2021

	Six months ended	
	30 September	
	2021	2020
	\$'000	\$'000
Cash flows from investing activities		
Dividends received from an associate	70	—
Proceeds from disposal of:		
- property, plant and equipment	663	575
- assets held for sale	—	17,130
Acquisition of:		
- property, plant and equipment	(6,189)	(1,918)
- investment property	(4)	(90)
- 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 to non-controlling interests of a subsidiary	—	(150)
Proceeds from:		
- bank loans	8,422	23,207
- refinancing of lease liabilities	7,965	—
- bills payable	57,208	30,358
- issue of shares from exercise of warrants	—	1,120
Repayment of:		
- bank loans	(12,482)	(17,799)
- bills payable	(49,722)	(38,855)
- lease liabilities	(7,839)	(7,528)
Fixed deposits 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 beginning of period	31,326	14,302
Effect of exchange rate changes on balances held in foreign currencies	10	(98)
Cash and cash equivalents at end of period	24,460	20,994
Comprising:		
Cash and cash equivalents	29,140	26,135
Bank overdrafts	(4,080)	(4,991)
Fixed deposits pledged	(600)	(150)
Cash and cash equivalents in the condensed consolidated statement of cash flows	24,460	20,994

The accompanying notes form an integral part of these condensed consolidated interim financial information.

Condensed consolidated statement of cash flows (cont'd)
For the six months ended 30 September 2021

During the financial period, the Group acquired property, plant and equipment with an aggregate cost of \$5,684,000 (30 September 2020: \$1,317,000) of which \$53,000 (30 September 2020: \$Nil) were acquired by means of hire purchase arrangements. Cash payments of \$6,189,000 (30 September 2020: \$1,918,000) were made to purchase property, plant and equipment, out of which \$1,236,000 (30 September 2020: \$881,000) was for the unpaid liabilities for prior year's acquisition of property, plant and equipment. At the reporting date, the unpaid liabilities from the purchase of property, plant and equipment amounted to \$678,000 (30 September 2020: \$280,000).

Notes to the condensed consolidated interim financial information

These notes form an integral part of the condensed consolidated interim financial information.

The condensed consolidated interim financial information were authorised for issue by the directors on 11 November 2021.

1 Domicile and activities

CSC Holdings Limited (“the Company”) is a company domiciled in the Republic of Singapore. The condensed consolidated interim financial information as at and for the six months ended 30 September 2021, comprise the Company and its subsidiaries (together referred to as the “Group”). The Group is primarily involved in piling works, civil engineering works, trading and leasing of heavy foundation equipment, soil investigation and surveying works.

1.1 Basis of preparation

The condensed consolidated interim financial information of the Group has been prepared on a condensed basis in accordance with the Singapore Financial Reporting Standard (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting*. 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 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 condensed consolidated interim financial information, which do not include the full disclosures of the type normally included in full annual financial statements prepared in accordance with the SFRS(I)s, are to be read in conjunction with the last audited financial statements for the year ended 31 March 2021.

Accounting policies and methods of computation used in the condensed consolidated interim financial information are consistent with those applied in the financial statements for the year ended 31 March 2021, which were prepared in accordance with SFRS(I)s.

The condensed consolidated interim financial information is presented in Singapore dollars which is the Company’s functional currency.

1.2 Use of judgements and estimates

In preparing the condensed consolidated interim financial information, 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.

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 (see note 13).

2 Seasonal operations

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

While the Group continues to face challenges as the countries in which the Group operates in grapple with the COVID-19 pandemic, there has been resumption of construction activities as the economies reopen. Accordingly, the Group has shown significant improvement in its overall results in the current financial period.

3 Property, plant and equipment

During the six months ended 30 September 2021, the Group acquired assets amounting to \$5,684,000 (six months ended 30 September 2020: \$1,317,000), of which \$3,167,000 pertains to the acquisition of a leasehold property. The Group also disposed of assets amounting to \$474,000 (six months ended 30 September 2020: \$325,000).

4 Share capital

	30 September 2021		31 March 2021	
	No. of shares	\$'000	No. 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	<u>3,588,348,176</u>	<u>94,089</u>	<u>3,588,348,176</u>	<u>94,089</u>

There were no share buybacks during the financial period. As at 30 September 2021, the Company held 20,520,000 (31 March 2021: 20,520,000) of its own uncanceled shares.

During the year ended 31 March 2021, 970,037,840 shares were issued upon exercise of 970,037,840 warrants at \$0.01 each, pursuant to the Rights cum Warrants Issue dated 30 December 2015.

As at 30 September 2021, there were no outstanding warrants (31 March 2021: Nil) for conversion into ordinary shares.

The holders of ordinary shares (excluding treasury shares) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares (excluding treasury shares) rank equally with regard to the Company's residual assets.

The loan facilities of certain subsidiaries are subject to externally imposed capital requirements where these subsidiaries are required to maintain net assets (total assets less total liabilities) or net tangible assets (total tangible assets less total tangible liabilities) in excess of specific financial thresholds. The subsidiaries have complied with the covenants at the reporting date.

5 Loans and borrowings

	30 September 2021 \$'000	31 March 2021 \$'000
Bank overdrafts	4,080	3,128
Bills payable	21,039	13,549
Secured bank loans	6,551	5,569
Unsecured bank loans	34,118	39,346
Lease liabilities	22,738	19,826
	<u>88,526</u>	<u>81,418</u>
Amount repayable:		
- in one year or less, or on demand	64,498	63,662
- after one year	24,028	17,756
	<u>88,526</u>	<u>81,418</u>

The loans and borrowings are guaranteed by the Company, out of which \$8,699,000 (31 March 2021: \$8,507,000) are also guaranteed by a related corporation.

The secured bank loans and lease liabilities are secured by:

- (a) a charge over the Group's leasehold land and properties with a carrying amount of \$10,973,000 (31 March 2021: \$8,100,000);
- (b) the Group's plant and equipment acquired under hire purchase arrangements with a carrying amount of \$33,916,000 (31 March 2021: \$27,909,000);
- (c) the Group's inventories acquired under hire purchase arrangements with a carrying amount of \$3,347,000 (31 March 2021: \$2,774,000); and
- (d) a charge over the Group's fixed deposits amounting to \$600,000 (31 March 2021: \$150,000).

6 Revenue

	Six months ended 30 September 2021 \$'000	2020 \$'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 financial statements.

Disaggregation of revenue

In the following table, revenue from contracts with customers is disaggregated by geographical regions and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (see note 9).

	Foundation and geotechnical engineering		Sales and lease of equipment		Total reportable segments	
	Six months ended 30 September		Six months ended 30 September		Six months ended 30 September	
	2021	2020	2021	2020	2021	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 building products and 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>

7 Profit/(Loss) for the period

The following items have been included in arriving at the profit/(loss) for the period:

	Six months ended 30 September	
	2021	2020
	\$'000	\$'000
Bad debts written back	(178)	(90)
Depreciation of:		
- property, plant and equipment	9,824	10,255
- right-of-use assets	2,640	2,722
Expenses relating to short-term leases	6,748	4,372
Foreign exchange loss	432	12
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)
Government grants deducted from:		
- cost of sales	(1,715)	(6,406)
- administrative expenses	(767)	(2,566)
Impairment losses recognised/(reversed) on:		
- property, plant and equipment	226	60
- trade and other receivables and contract assets	1,461	(39)
Interest on lease liabilities	74	201
Inventories written down	14	272
Provision for onerous contract	217	—
Provision for rectification costs	546	936

Impairment losses recognised on trade and other receivables and contract assets in the current financial period largely relate to outstanding balances from a customer that has encountered financial difficulties and the Group has assessed that the customer is unlikely to repay their outstanding balances.

8 Loss per share

(a) Basic loss per share

	Six months ended 30 September	
	2021	2020
	\$'000	\$'000
Basic loss per share is based on:		
Net loss attributable to ordinary shareholders	(108)	(13,223)
	No. of shares '000	No. of shares '000
Weighted average number of shares	3,567,828	2,631,857

(b) Diluted loss per share

Six months ended 30 September	
2021	2020
\$'000	\$'000

Diluted loss per share is based on:

Net loss attributable to ordinary shareholders	(108)	(13,223)
--	-------	----------

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.

The weighted average number of ordinary shares in issue is as follows:

Six months ended 30 September	
2021	2020
No. of shares '000	No. of shares '000

Weighted average number of shares	3,567,828	2,631,857*
-----------------------------------	-----------	------------

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

9 Segmental 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:

<i>Foundation and geotechnical engineering:</i>	Includes civil engineering, piling, foundation and geotechnical engineering, soil investigation, land surveying and other related services.
---	---

<i>Sale and lease of equipment:</i>	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.

Information about reportable segments

	Foundation and geotechnical engineering		Sales and lease of equipment		Total reportable segments	
	Six months ended 30 September		Six months ended 30 September		Six months ended 30 September	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
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)

	Foundation and geotechnical engineering		Sales and lease of equipment		Total reportable segments	
	Six months ended		Six months ended		Six months ended	
	30	31	30	31	30	31
	September	March	September	March	September	March
	2021	2021	2021	2021	2021	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

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

	Six months ended	
	30 September	
	2021	2020
	\$'000	\$'000
Revenue		
Total revenue for reportable segments	133,097	64,095
Elimination of inter-segment revenue	(10,008)	(11,284)
Consolidated revenue	123,089	52,811
Profit or loss		
Total loss before tax for reportable segments	(201)	(13,317)
Total profit before tax for other segments	33	45
	(168)	(13,272)
Elimination of inter-segment transactions	3,300	1,740
Unallocated amounts:		
- other corporate expenses	(2,720)	(2,086)
Share of loss of associates	(29)	(98)
Consolidated profit/(loss) before tax	383	(13,716)
	30 September	31 March
	2021	2021
	\$'000	\$'000
Assets		
Total assets for reportable segments	309,858	298,272
Total assets for other segments	18,931	19,075
	328,789	317,347
Investment 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	335,284	325,508
Liabilities		
Total liabilities for reportable segments	179,830	165,894
Total liabilities for other segments	4,476	4,661
	184,306	170,555
Deferred tax liabilities	2,515	2,052
Current tax payable	176	280
Other unallocated amounts	4,012	4,930
Consolidated total liabilities	191,009	177,817

10 Dividends

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

11 Commitment

Commitment not reflected in the condensed consolidated interim financial information at the reporting date is as follows:

Capital commitments

As at reporting date, capital expenditure contracted for but not recognised in the condensed consolidated interim financial information is as follows:

	30 September 2021 \$'000	31 March 2021 \$'000
Capital commitment in respect of:		
- acquisition of property, plant and equipment	—	3,049

12 Related parties

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:

	Six months ended 30 September 2021 \$'000	2020 \$'000
Short-term employee benefits	3,027	2,637
Post-employment benefits (including contributions to defined contribution plans)	129	118
	<u>3,156</u>	<u>2,755</u>

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

	Six months ended 30 September	
	2021	2020
	\$'000	\$'000
Professional fees	15	15

Other related party transactions

Other than disclosed elsewhere in the condensed consolidated interim financial information, the transactions with related parties are as follows:

	Six months ended 30 September	
	2021	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 equipment	—	37
Expenses relating to short-term leases	(727)	(1,114)
Purchase of property, plant and equipment	(204)	(20)
Upkeep of machinery and equipment expenses	(22)	(40)

13 Accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The selection of critical accounting policies, the judgements and other uncertainties affecting application of those policies and the sensitivity of reported results to changes in condition and assumptions are factors to be considered when reviewing the condensed consolidated interim financial information. The Group believes the critical accounting policies involving the most significant judgements and estimates used in the preparation of the condensed consolidated interim financial information are consistent with those found in the last audited financial statements for the year ended 31 March 2021.

Fair value hierarchy

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

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

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

14 Fair value of financial instruments

Fair values versus carrying amounts

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

	Carrying amount					Fair value			
	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)				

* Excludes prepayments

** Excludes deposits received and deferred grant income

	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
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

Measurement 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 amount 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).

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.

Interest rates used in determining fair values

The interest rates used to discount estimated cash flows, where applicable, are based on the government yield curve at reporting date plus an adequate credit spread, and are as follows:

	30 September 2021 %	31 March 2021 %
Non-current trade and other receivables and non-current contract assets	3.00	4.88

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	163	–

15 Acquisition of subsidiary

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, the consolidated revenue would not be affected while the consolidated profit (after tax) of the Group would be \$122,000.

The following summarises 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

16 Acquisition of non-controlling interests of a subsidiary

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 and was payable in 3 tranches. The first 2 tranches, amounting to \$3,292,000 were paid across May and July 2021, while the last tranche of \$78,000 to be paid on the earlier of (i) 31 December 2023 or (ii) the date of finalisation of ICE’s tax assessment with the local tax authorities.

The Acquisition was completed in July 2021 after the payment of the 2nd tranche, and following this, the Group’s effective interest in ICE increased from 46.75% to 55%.

The carrying amount of ICE’s net assets in the Group’s condensed consolidated interim financial information 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.

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

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

17 Adoption of new standards

Applicable to financial statements for the year 2023 and thereafter

The following new SFRS(I)s, amendments to and interpretations of SFRS(I)s are effective for annual periods beginning after 1 April 2021:

Applicable to 2023 financial statements

- *Reference to the Conceptual Framework* (Amendments to SFRS(I) 3)
- *Property, Plant and Equipment – Proceeds before Intended Use* (Amendments to SFRS(I) 1-16)
- *Onerous Contracts – Costs of Fulfilling a Contract* (Amendments to SFRS(I) 1-37)
- *Annual Improvements to SFRS(I)s 2018-2020*

Applicable to 2024 financial statements

- *SFRS(I) 17 Insurance Contracts*
- *Classification of Liabilities as Current or Non-current* (Amendments to SFRS(I) 1-1)
- *Disclosure of Accounting Policies* (Amendments to SFRS(I) 1-1 and SFRS (I) Practice Statement 2)
- *Definition of Accounting Estimates* (Amendments to SFRS(I) 1-8)
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* (Amendments to SFRS(I) 1-12)

The Group is still in the process of assessing the impact of the new SFRS(I)s, amendments to and interpretations of SFRS(I)s on the condensed consolidated interim financial information.