



CSC HOLDINGS LIMITED

(Company Registration Number: 199707845E)

Condensed Interim Financial Statements

For the 6 Months Ended 30 September 2022

(For the Financial Year Ending 31 March 2023)

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Condensed Interim Consolidated Statement of Profit or Loss
For the 6 Months ended 30 September 2022

	Note	Group		Change
		6 months ended		
		30-Sep-22	30-Sep-21	
		\$'000	\$'000	%
Revenue	4a	118,013	123,089	(4.1)
Cost of sales	5a	(118,536)	(109,015)	8.7
Gross (loss)/profit		(523)	14,074	N.M.
Other income	5b	1,047	485	>100.0
Operating expenses				
- Distribution expenses		(609)	(689)	(11.6)
- Administrative expenses	5c	(14,744)	(11,604)	27.1
- Other operating income/(expenses)	5d	15	(1,586)	N.M.
		(15,338)	(13,879)	10.5
Results from operating activities		(14,814)	680	N.M.
Net finance expenses				
- Finance income		475	1,196	(60.3)
- Finance expenses		(2,573)	(1,464)	75.8
		(2,098)	(268)	>100.0
Share of profit/(loss) of associates (net of tax)		158	(29)	N.M.
(Loss)/Profit before tax		(16,754)	383	N.M.
Tax expense	6	(109)	(343)	(68.2)
(Loss)/Profit for the period		(16,863)	40	N.M.
Attributable to:				
Owners of the Company		(16,721)	(108)	>100.0
Non-controlling interests		(142)	148	N.M.
(Loss)/Profit for the period		(16,863)	40	N.M.
Gross (loss)/profit margin		-0.4%	11.4%	
Net (loss)/profit margin		-14.3%	0.0%	

Condensed Interim Consolidated Statement of Comprehensive Income

For the 6 Months ended 30 September 2022

	Group		Change
	6 months ended		
	30-Sep-22	30-Sep-21	
	\$'000	\$'000	%
(Loss)/Profit for the period	(16,863)	40	N.M.
Other comprehensive expense			
Item that will not be reclassified to profit or loss:			
Revaluation surplus of property, plant and equipment	-	500	(100.0)
Item that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences - foreign operations	(84)	(586)	(85.7)
Other comprehensive expense for the period, net of tax	(84)	(86)	(2.3)
Total comprehensive expense for the period	(16,947)	(46)	>100.0
Attributable to:			
Owners of the Company	(16,705)	(706)	>100.0
Non-controlling interests	(242)	660	N.M.
Total comprehensive expense for the period	(16,947)	(46)	>100.0

Condensed Interim Statement of Financial Position
As at 30 September 2022

DESCRIPTION	Note	Group		Company	
		30-Sep-22	31-Mar-22 Restated *	30-Sep-22	31-Mar-22
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment	8	127,142	128,642	-	-
Right-of-use assets	9	43,094	3,015	37,823	120
Goodwill		552	552	-	-
Investment property	10	524	122	-	-
Investments in:					
- subsidiaries		-	-	89,904	89,904
- associates	11	8,424	8,278	-	-
Other investments		-	-	-	-
Contract assets		12,973	12,982	-	-
Trade and other receivables		5,160	6,961	13,000	13,000
Deferred tax assets		37	29	579	579
		197,906	160,581	141,306	103,603
Current assets					
Inventories	12	28,674	27,183	-	-
Contract assets		45,416	59,841	-	-
Trade and other receivables		68,108	66,908	21,415	19,718
Tax recoverable		424	420	-	-
Cash and cash equivalents		19,938	34,362	232	854
		162,560	188,714	21,647	20,572
Assets held for sale		-	-	-	-
		162,560	188,714	21,647	20,572
Total assets		360,466	349,295	162,953	124,175

* See note 2.1(a)

Condensed Interim Statement of Financial Position (Cont'd)
As at 30 September 2022

DESCRIPTION	Note	Group		Company	
		30-Sep-22	31-Mar-22 Restated *	30-Sep-22	31-Mar-22
		\$'000	\$'000	\$'000	\$'000
Equity attributable to owners of the Company					
Share capital	13	94,089	94,089	94,089	94,089
Reserves		14,164	30,966	15,427	16,921
		108,253	125,055	109,516	111,010
Non-controlling interests		25,461	25,703	-	-
Total equity		133,714	150,758	109,516	111,010
Non-current liabilities					
Loans and borrowings	14	24,465	28,817	1,279	1,655
Lease liabilities **	9	40,741	1,476	37,493	14
Trade and other payables		4,976	6,389	-	-
Provisions		60	-	60	-
Deferred tax liabilities		2,383	2,298	-	-
		72,625	38,980	38,832	1,669
Current liabilities					
Loans and borrowings	14	62,963	63,132	747	740
Lease liabilities **	9	3,721	1,597	1,635	111
Contract liabilities		390	299	-	-
Trade and other payables		81,625	88,212	12,223	10,645
Provisions		5,177	5,872	-	-
Current tax payable		251	445	-	-
		154,127	159,557	14,605	11,496
Total liabilities		226,752	198,537	53,437	13,165
Total equity and liabilities		360,466	349,295	162,953	124,175

* See note 2.1(a)

** Relating to Right-of-use assets.

Condensed Interim Statements of Changes in Equity

For the 6 Months ended 30 September 2022

<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 2022

Group	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 2022, as previously stated	94,089	17,798	(2,921)	116	(6,713)	2,249	(2,334)	17,573	119,857	25,703	145,560
Impact of change in accounting policy (note 2.1(a))	-	-	-	-	-	-	-	5,198	5,198	-	5,198
At 1 April 2022, as restated	94,089	17,798	(2,921)	116	(6,713)	2,249	(2,334)	22,771	125,055	25,703	150,758
Total comprehensive expense for the period											
Loss for the period	-	-	-	-	-	-	-	(16,721)	(16,721)	(142)	(16,863)
Other comprehensive income/(expense)											
Foreign currency translation differences	-	-	-	-	10	6	-	-	16	(100)	(84)
Transfer of revaluation surplus of property, plant and equipment	-	-	-	-	-	(89)	-	89	-	-	-
Total other comprehensive income/(expense)	-	-	-	-	10	(83)	-	89	16	(100)	(84)
Total comprehensive income/(expense) for the period	-	-	-	-	10	(83)	-	(16,632)	(16,705)	(242)	(16,947)
Transactions with owners of the Company, recorded directly in equity											
Purchase of treasury shares	-	-	(97)	-	-	-	-	-	(97)	-	(97)
Total transactions with owners of the Company	-	-	(97)	-	-	-	-	-	(97)	-	(97)
At 30 September 2022	94,089	17,798	(3,018)	116	(6,703)	2,166	(2,334)	6,139	108,253	25,461	133,714

Condensed Interim Statements of Changes in Equity (Cont'd)
For the 6 Months ended 30 September 2022

<u>Company</u>	Share capital	Capital reserve	Reserve for own shares	Accumulated (losses)/profits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
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
At 1 April 2022	94,089	17,798	(2,921)	2,044	111,010
Total comprehensive expense for the period	-	-	-	(1,397)	(1,397)
Transactions with owners of the Company, recorded directly in equity					
Purchase of treasury shares	-	-	(97)	-	(97)
Total transactions with owners of the Company	-	-	(97)	-	(97)
At 30 September 2022	94,089	17,798	(3,018)	647	109,516

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 1967 of Singapore.

Condensed Interim Consolidated Statement of Cash Flows

For the 6 Months ended 30 September 2022

	6 months ended	
	<u>30-Sep-22</u>	<u>30-Sep-21</u>
	\$'000	\$'000
Cash flows from operating activities		
(Loss)/Profit for the period	(16,863)	40
Adjustments for:		
Bad debts written back	(3)	(178)
Depreciation of:		
- property, plant and equipment	10,557	9,824
- right-of-use assets	2,768	2,640
Gain on disposal of property, plant and equipment	(536)	(271)
Gain on termination of lease liabilities	(14)	-
Expected credit losses on trade and other receivables and contract assets	-	53
Impairment losses (reversed)/recognised on:		
- property, plant and equipment	(40)	226
- trade and other receivables and contract assets	(109)	1,408
Inventories written down	77	14
Net finance expenses	2,098	268
Provisions for:		
- onerous contracts	-	217
- rectification costs	642	546
Share of (profit)/loss of associates (net of tax)	(158)	29
Tax expense	109	343
Operating activities before working capital changes	(1,472)	15,159
Changes in working capital:		
Inventories	(2,492)	(1,216)
Contract assets, trade and other receivables and tax recoverable	13,360	(16,493)
Contract liabilities, trade and other payables and provisions	(6,861)	2,865
Cash generated from operations	2,535	315
Taxes paid	(228)	(189)
Interest received	61	82
Net cash generated from operating activities	<u>2,368</u>	<u>208</u>

Condensed Interim Consolidated Statement of Cash Flows (Cont'd)
For the 6 Months ended 30 September 2022

	6 months ended	
	<u>30-Sep-22</u>	<u>30-Sep-21</u>
	\$'000	\$'000
Cash flows from investing activities		
Dividends received from an associate	-	70
Acquisition of:		
- property, plant and equipment	(6,958)	(6,189)
- investment property	-	(4)
- a subsidiary, net of cash acquired	-	32
Proceeds from disposal of property, plant and equipment	2,761	663
Net cash used in investing activities	(4,197)	(5,428)
Cash flows from financing activities		
Interest paid	(2,483)	(1,466)
Proceeds from:		
- bank loans and finance lease loans	4,675	16,387
- bills payable	72,150	57,208
Purchase of treasury shares	(97)	-
Repayment of:		
- bank loans	(9,311)	(12,482)
- bills payable	(69,401)	(49,722)
- finance lease liabilities	(6,967)	(5,130)
- lease liabilities *	(1,384)	(2,709)
Acquisition of non-controlling interests of a subsidiary	-	(3,292)
Increase in fixed deposit pledged	-	(450)
Net cash used in financing activities	(12,818)	(1,656)
Net decrease in cash and cash equivalents	(14,647)	(6,876)
Cash and cash equivalents at 1 April	31,366	31,326
Effect of exchange rate changes on balances held in foreign currencies	(440)	10
Cash and cash equivalents at 30 September	16,279	24,460
Comprising:		
Cash and cash equivalents	19,938	29,140
Bank overdrafts	(3,059)	(4,080)
	16,879	25,060
Less:		
Fixed deposits pledged as security for bank facilities	(600)	(600)
Cash and cash equivalents in the condensed interim consolidated statement of cash flows	16,279	24,460

* 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 2022 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 interim financial statements 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 2022.

The condensed interim financial statements, 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 2022.

Accounting policies and methods of computation used in the condensed interim financial statements are consistent with those applied in the financial statements for the year ended 31 March 2022, which were prepared in accordance with SFRS(I)s, except as explained in note 2.1, which addressed the changes in accounting policies.

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 Change in accounting policy

(a) Accounting for investment property

On 1 April 2022, the Group changed its accounting policy with respect to the subsequent measurement of investment property from the cost model to the fair value model, with changes in fair value recognised in profit or loss. The Group believes that subsequent measurement using the fair value model provides more relevant information about the financial performance of these assets, assists users to better understand the risks associated with these assets and is consistent with industry practice in relation to these types of assets. This change in accounting policy was applied retrospectively.

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

2. Basis of preparation (cont'd)

2.1 Change in accounting policy (cont'd)

(a) Accounting for investment property (cont'd)

Summary of quantitative impact

The following tables summarise the material impacts on the Group's condensed interim statement of financial position as at 1 April 2022, which mainly impacted by the changes in fair value on the investment property held by an associate company. There is no impact on the Group's total operating, investing or financing cash flows for the 6 months ended 30 September 2022, consolidated statement of financial position as at 1 April 2021 and condensed interim consolidated statement of profit or loss and condensed interim consolidated statement of comprehensive income for the 6 months ended 30 September 2021.

Condensed interim statement of financial position

1 April 2022	Impact of change in accounting policy		
	As previously reported	Adjustments	As restated
	\$'000	\$'000	\$'000
Investment in associates *	3,080	5,198	8,278
Others	341,017	-	341,017
Total assets	344,097	5,198	349,295
Reserves	25,768	5,198	30,966
Others	119,792	-	119,792
Total equity	145,560	5,198	150,758

* includes the share of fair value changes in the investment property of the associate

(b) 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 year beginning on 1 April 2022. The application of these standards and interpretations did not have a material effect on the condensed interim financial statements.

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

2. Basis of preparation (cont'd)

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 2022.

3. Seasonal operations

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

4. Revenue and segment information

(a) Revenue

	6 months ended	
	30/09/2022	30/09/2021
	\$'000	\$'000
Revenue from contracts with customers	111,512	118,072
Rental income	6,501	5,017
	<u>118,013</u>	<u>123,089</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 2022.

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

4. Revenue and segment information (cont'd)

(a) Revenue (cont'd)

Disaggregation of revenue

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

	Foundation and Geotechnical Engineering 6 months ended		Sales and Lease of Equipment 6 months ended		Total Reportable Segments 6 months ended	
	30/09/2022	30/09/2021	30/09/2022	30/09/2021	30/09/2022	30/09/2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Geographical regions						
Singapore	70,035	88,679	8,661	16,533	78,696	105,212
Malaysia	20,435	7,473	93	123	20,528	7,596
Thailand	-	-	292	230	292	230
India	-	-	11,222	3,596	11,222	3,596
Philippines	-	-	426	737	426	737
Hong Kong	-	-	176	352	176	352
China	-	-	154	348	154	348
Other region	-	-	18	1	18	1
	<u>90,470</u>	<u>96,152</u>	<u>21,042</u>	<u>21,920</u>	<u>111,512</u>	<u>118,072</u>
Major revenue streams						
Construction contracts	90,286	95,839	-	-	90,286	95,839
Trading of plant and equipment	184	313	21,042	21,920	21,226	22,233
	<u>90,470</u>	<u>96,152</u>	<u>21,042</u>	<u>21,920</u>	<u>111,512</u>	<u>118,072</u>
Timing of revenue recognition						
Products transferred at a point in time	184	313	20,904	21,559	21,088	21,872
Products and services transferred over time	90,286	95,839	138	361	90,424	96,200
	<u>90,470</u>	<u>96,152</u>	<u>21,042</u>	<u>21,920</u>	<u>111,512</u>	<u>118,072</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, and other related services

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 6 months ended		Sales and Lease of Equipment 6 months ended		Total Reportable Segments 6 months ended	
	30/09/2022	30/09/2021	30/09/2022	30/09/2021	30/09/2022	30/09/2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from contracts						
with customers	90,470	96,152	21,042	21,920	111,512	118,072
Rental income	-	3	6,501	5,014	6,501	5,017
External revenue	90,470	96,155	27,543	26,934	118,013	123,089
Inter-segment revenue	6,368	7,943	2,410	2,065	8,778	10,008
Reportable segment (loss)/ profit before tax	(14,581)	162	(1,272)	(363)	(15,853)	(201)
Capital expenditure	5,222	5,392	3,947	292	9,169	5,684
	As at 30/09/2022	As at 31/03/2022	As at 30/09/2022	As at 31/03/2022	As at 30/09/2022	As at 31/03/2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Reportable segment assets	171,989	197,862	120,521	119,459	292,510	317,321
Reportable segment liabilities	105,121	116,959	71,968	70,354	177,089	187,313

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

4. Revenue and segment information (cont'd)

(b) Segment information (cont'd)

	6 months ended	
	30/09/2022	30/09/2021
	\$'000	\$'000
Profit or loss before tax		
Total loss before tax for reportable segments	(15,853)	(201)
(Loss)/Profit before tax for other segments	(336)	33
	(16,189)	(168)
Elimination of inter-segment transactions	4,071	3,300
Unallocated amounts:		
- other corporate expenses	(4,794)	(2,720)
Share of profit/(loss) of associates (net of tax)	158	(29)
Consolidated (loss)/profit before tax	(16,754)	383
	As at 30/09/2022	As at 31/03/2022
	\$'000	\$'000
		Restated
Assets		
Total assets for reportable segments	292,510	317,321
Assets for other segments	20,139	21,611
	312,649	338,932
Investments in associates	8,424	8,278
Deferred tax assets	37	29
Tax recoverable	424	420
Other unallocated amounts	38,932	1,636
Consolidated total assets	360,466	349,295
Liabilities		
Total liabilities for reportable segments	177,089	187,313
Liabilities for other segments	4,082	4,269
	181,171	191,582
Deferred tax liabilities	2,383	2,298
Current tax payable	251	445
Other unallocated amounts	42,947	4,212
Consolidated total liabilities	226,752	198,537

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

5. (Loss)/Profit before tax

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

	6 months ended	
	30/09/2022	30/09/2021
	\$'000	\$'000
(a) Cost of sales		
Depreciation of:		
- property, plant and equipment	10,057	9,576
- right-of-use assets ⁽¹⁾	1,210	1,770
Government assistances	(506)	(1,715)
Provisions for:		
- onerous contracts	-	217
- rectification costs	642	546
(b) Other income		
Gain on disposal of property, plant and equipment	(536)	(271)
Gain on termination of lease liabilities	(14)	-
(c) Administrative expenses		
Depreciation of:		
- property, plant and equipment	500	248
- right-of-use assets ⁽¹⁾	1,558	870
Exchange loss	1,236	432
Government assistances	(70)	(767)
(d) Other operating (income)/expenses		
Bad debts written back	(3)	(178)
Expected credit losses on trade and other receivables and contract assets ⁽¹⁾	-	53
Impairment losses (reversed)/recognised on:		
- property, plant and equipment	(40)	226
- trade and other receivables and contract assets ⁽²⁾	(109)	1,408
Inventories written down	77	14

⁽¹⁾ Arising from application of SFRS(I) 16 *Leases*.

⁽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	
	30/09/2022	30/09/2021
	\$'000	\$'000
Current tax expense/(credit)		
- current period	98	129
- over provided in prior years	(84)	(249)
	<u>14</u>	<u>(120)</u>
Deferred tax expense		
- current period	113	119
- (over)/under provided in prior years	(18)	344
	<u>95</u>	<u>463</u>
	<u>109</u>	<u>343</u>

7. Loss per share

(a) Basic loss per ordinary share

	6 months ended	
	30/09/2022	30/09/2021
Based on the weighted average number of ordinary shares on issue	(0.475) cents	(0.003) cents
	6 months ended	
	30/09/2022	30/09/2021
	\$'000	\$'000
Basic loss per ordinary share is based on:		
Net loss attributable to ordinary shareholders	<u>(16,721)</u>	<u>(108)</u>
	6 months ended	
	30/09/2022	30/09/2021
Weighted average number of:		
Issued ordinary shares at beginning of the period	3,588,348,176	3,588,348,176
Ordinary shares held as treasury shares	(66,652,240)	(20,520,000)
Weighted average number of ordinary shares used to compute loss per ordinary share	<u>3,521,695,936</u>	<u>3,567,828,176</u>

(b) Diluted loss per ordinary share

	6 months ended	
	30/09/2022	30/09/2021
On a fully diluted basis	(0.475) cents	(0.003) cents
	6 months ended	
	30/09/2022	30/09/2021
	\$'000	\$'000
Diluted loss per ordinary share is based on:		
Net loss attributable to ordinary shareholders	<u>(16,721)</u>	<u>(108)</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 potential ordinary shares weighted for the period outstanding.

	6 months ended	
	30/09/2022	30/09/2021
Weighted average number of: Ordinary shares used in the calculation of basic loss per ordinary share	3,521,695,936	3,567,828,176
Weighted average number of ordinary shares issued and potential shares assuming full conversion	3,521,695,936	3,567,828,176

8. Property, plant and equipment

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

	Group	
	As at 30/09/2022 \$'000	As at 31/03/2022 \$'000
<u>Cost/Valuation</u>		
Opening balance	396,973	385,001
Additions	9,169	17,971
Reclassification from inventories	3,547	7,055
Revaluation	-	1,992
Elimination of accumulated depreciation against cost on revaluation	-	(735)
Transfer to inventories	(1,358)	(1,959)
Disposals/Write-offs	(4,632)	(10,870)
Translation differences on consolidation	(2,529)	(1,482)
Closing balance	401,170	396,973
<u>Accumulated depreciation and impairment losses</u>		
Opening balance	268,331	260,018
Depreciation charge	10,557	19,899
Impairment loss (reversed)/recognised	(40)	268
Elimination of accumulated depreciation against cost on revaluation	-	(735)
Transfer to inventories	(665)	(1,202)
Disposals/Write-offs	(2,485)	(9,230)
Translation differences on consolidation	(1,670)	(687)
Closing balance	274,028	268,331
Carrying amount	127,142	128,642

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

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

During the 6 months ended 30 September 2022, the Group acquired assets amounting to \$9,169,000 (31 March 2022: \$17,971,000) and disposed of assets amounting to \$2,147,000 (31 March 2022: \$1,640,000).

9. Right-of-use assets and Lease liabilities

During the 6 months ended 30 September 2022, the Group entered into a lease with a contract term of 16.25 years for the headquarters located at No 2, Tanjong Penjuru Crescent resulted the recognition of right-of-use asset and lease liability. The related right-of-use asset and lease liability amounting to \$37,808,000 and \$39,110,000 respectively as at 30 September 2022 (31 March 2022: \$Nil).

10. Investment property

As at 30 September 2022, the residential properties still remain under construction and hence, the fair values cannot be measured reliably.

11. Investment in associates

6 months ended 30 September 2021

Coldhams Alliance Pte. Ltd.

As at 31 March 2021, the Group owned 47.5% effective equity interest in Coldhams Alliance Pte. Ltd. ("CA").

On 28 September 2021, the Group acquired the remaining 52.5% effective equity interest in 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	<u>50</u>
Cash consideration paid	(23)
Net cash acquired	<u>55</u>
Net cash inflow arising from the acquisition	<u>32</u>

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

12. Inventories

	Group	
	As at 30/09/2022 \$'000	As at 31/03/2022 \$'000
Equipment and machinery held for sale	14,273	15,531
Spare parts	10,297	9,428
Construction materials on sites	4,104	2,224
	<u>28,674</u>	<u>27,183</u>

13. Share capital

	Group and Company			
	As at 30/09/2022		As at 31/03/2022	
	Number of shares	\$'000	Number of shares	\$'000
Issued and fully-paid ordinary shares with no par value:				
At 1 April and 30 September/31 March	<u>3,588,348,176</u>	<u>94,089</u>	<u>3,588,348,176</u>	<u>94,089</u>

As at 30 September 2022 and 30 September 2021, there were no outstanding convertibles.

During the 6 months ended 30 September 2022, the Company completed the buy-back of 7,000,000 ordinary shares (30 September 2021: Nil). There were 67,920,000 shares held as treasury shares as at 30 September 2022 (30 September 2021: 20,520,000 shares), representing 1.9% (30 September 2021: 0.6%) 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 2022.

The total number of ordinary shares issued (excluding treasury shares) as at 30 September 2022 was 3,520,428,176 (31 March 2022: 3,527,428,176) ordinary shares.

The Company's subsidiaries do not hold any shares in the Company as at 30 September 2022 and 31 March 2022.

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

14. Loans and borrowings

	Group	
	As at 30/09/2022 \$'000	As at 31/03/2022 \$'000
<u>Amount repayable in one year or less, or on demand</u>		
Secured	11,997	13,038
Unsecured	50,966	50,094
	<u>62,963</u>	<u>63,132</u>
 <u>Amount repayable after one year</u>		
Secured	18,476	21,317
Unsecured	5,989	7,500
	<u>24,465</u>	<u>28,817</u>
	<u>87,428</u>	<u>91,949</u>

Details of any collateral

The Group's loans and borrowings were \$87,428,000 (31 March 2022: \$91,949,000) and consist of overdrafts, bills payable, finance leases and bank loans. Included in the amounts repayable within one year were bills payable amounting to \$24,466,000 (31 March 2022: \$21,744,000).

The loans and borrowings are secured by legal mortgages over the Group's assets listed below and guaranteed by the Company, out of which \$6,114,000 (31 March 2022: \$9,293,000) are also guaranteed by a related corporation:

- a) \$23,274,000 (31 March 2022: \$26,373,000) in respect of plant and machinery acquired under hire purchase arrangements;
- b) \$5,644,000 (31 March 2022: \$6,032,000) which are secured by a charge over the leasehold land and properties;
- c) \$1,167,000 (31 March 2022: \$1,310,000) which are secured by a charge over the leasehold property and fixed deposit; and
- d) \$388,000 (31 March 2022: \$640,000) which are secured by a charge over the fixed deposit of the Group.

15. Dividends

No interim dividends were paid by the Company in respect of the 6 months ended 30 September 2022 and 2021.

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

16. Net asset value

	Group		Company	
	As at 30/09/2022 Cents	As at 31/03/2022 Cents Restated	As at 30/09/2022 Cents	As at 31/03/2022 Cents
Net asset value per ordinary shares	3.8	4.3	3.1	3.1

The net asset value per ordinary share is calculated based on net asset value of \$133,714,000 (31 March 2022: \$150,758,000) over the total number of ordinary shares issued (excluding treasury shares) as at 30 September 2022 of 3,520,428,176 (31 March 2022: 3,527,428,176) ordinary shares.

17. 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 30/09/2022 \$'000	As at 30/03/2022 \$'000
Capital commitment in respect of:		
- acquisition of property, plant and equipment	1,330	4,502

18. 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	
	30/09/2022 \$'000	30/09/2021 \$'000
Short-term employee benefits	2,820	3,027
Post-employment benefits (including contributions to defined contribution plans)	108	129
	2,928	3,156

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

	6 months ended	
	30/09/2022 \$'000	30/09/2021 \$'000
Professional fees	15	15

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

18. Related parties (cont'd)

Other related party transactions

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

	6 months ended	
	30/09/2022 \$'000	30/09/2021 \$'000
Companies in which a director and a substantial shareholder of the Group have substantial financial interests		
Revenue from foundation engineering works	7	42
Revenue from rental and service income	87	89
Expenses related to short-term leases	(299)	(727)
Purchase of plant and equipment	(190)	(204)
Upkeep of machinery and equipment expenses	(27)	(22)

19. Acquisition of non-controlling interests of a subsidiary

6 months ended 30 September 2021

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 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 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.

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	(78)
Decrease in equity attributable to owners of the Company	(1,414)

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

20. 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 2022.

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.

Group	Carrying amount				Fair value			
	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 2022								
Financial assets not measured at fair value								
Trade and other receivables [#]	72,213	–	–	72,213	–	72,213	–	72,213
Cash and cash equivalents	19,938	–	–	19,938				
	<u>92,151</u>	<u>–</u>	<u>–</u>	<u>92,151</u>				
Financial liabilities not measured at fair value								
Bank overdrafts	–	–	(3,059)	(3,059)				
Bills payable	–	–	(24,466)	(24,466)				
Secured bank loans	–	–	(7,199)	(7,199)	–	(7,209)	–	(7,209)
Unsecured bank loans	–	–	(29,430)	(29,430)	–	(29,526)	–	(29,526)
Trade and other payables [*]	–	–	(84,966)	(84,966)	–	(84,966)	–	(84,966)
	<u>–</u>	<u>–</u>	<u>(149,120)</u>	<u>(149,120)</u>				

[#] Excludes prepayments

^{*} Excludes deposits received

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

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

Group	Carrying amount				Fair value			
	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 2022								
Financial assets not measured at fair value								
Trade and other receivables [#]	72,970	–	–	72,970	–	72,970	–	72,970
Cash and cash equivalents	34,362	–	–	34,362				
	<u>107,332</u>	<u>–</u>	<u>–</u>	<u>107,332</u>				
Financial liabilities not measured at fair value								
Bank overdrafts	–	–	(2,396)	(2,396)				
Bills payable	–	–	(21,744)	(21,744)				
Secured bank loans	–	–	(7,982)	(7,982)	–	(7,985)	–	(7,985)
Unsecured bank loans	–	–	(33,454)	(33,454)	–	(33,492)	–	(33,492)
Trade and other payables [*]	–	–	(92,539)	(92,539)	–	(92,539)	–	(92,539)
	<u>–</u>	<u>–</u>	<u>(158,115)</u>	<u>(158,115)</u>				

[#] Excludes prepayments

^{*} Excludes deposits received

Company	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
30 September 2022							
Financial assets not measured at fair value							
Trade and other receivables [#]	34,362	–	34,362	–	34,362	–	34,362
Cash and cash equivalents	232	–	232				
	<u>34,594</u>	<u>–</u>	<u>34,594</u>				
Financial liabilities not measured at fair value							
Unsecured bank loan	–	(2,026)	(2,026)	–	(2,063)	–	(2,063)
Trade and other payables	–	(11,792)	(11,792)				
	<u>–</u>	<u>(13,818)</u>	<u>(13,818)</u>				

31 March 2022

Financial assets not measured at fair value							
Trade and other receivables [#]	32,701	–	32,701	–	32,701	–	32,701
Cash and cash equivalents	854	–	854				
	<u>33,555</u>	<u>–</u>	<u>33,555</u>				
Financial liabilities not measured at fair value							
Unsecured bank loan	–	(2,395)	(2,395)	–	(2,404)	–	(2,404)
Trade and other payables	–	(10,307)	(10,307)				
	<u>–</u>	<u>(12,702)</u>	<u>(12,702)</u>				

[#] Excludes prepayments

^{*} Excludes deposits received

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

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

Estimation of fair values

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

Non-current trade and other receivables, trade and other payables and fixed interest rate bank loans

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.

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, current 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
At 1 April 2022 and 30 September 2022	–
At 1 April 2021	162
Change in fair value	(161)
Effect of movements in exchange rates	(1)
At 31 March 2022	–

Other information required by Listing Rule Appendix 7.2

1. Review of the Performance of the Group

A. Consolidated Statement of Profit or Loss

1HFY23 – for the 6 months ended 30 September 2022

2HFY22 – for the 6 months ended 31 March 2022

1HFY22 – for the 6 months ended 30 September 2021

Review of Results for the 6 Months Ended 30 September 2022

	1HFY23 \$'000	2HFY22 \$'000	Change %	1HFY23 \$'000	1HFY22 \$'000	Change %
		Restated				
Revenue	118,013	145,651	(19.0)	118,013	123,089	(4.1)
Variable Project Costs	(83,938)	(98,282)	(14.6)	(83,938)	(75,504)	11.2
Project Contribution	34,075	47,369	(28.1)	34,075	47,585	(28.4)
<i>Project Contribution Margins</i>	28.9%	32.5%		28.9%	38.7%	
Project Overheads	(35,104)	(34,963)	0.4	(35,104)	(35,226)	(0.3)
Gross (Loss)/Profit before Government Assistances	(1,029)	12,406	N.M.	(1,029)	12,359	N.M.
<i>Gross (Loss)/Profit Margins</i>	-0.9%	8.5%		-0.9%	10.0%	
Government Assistances	506	1,236	(59.1)	506	1,715	(70.5)
Gross (Loss)/Profit	(523)	13,642	N.M.	(523)	14,074	N.M.
<i>Gross (Loss)/Profit Margins</i>	-0.4%	9.4%		-0.4%	11.4%	
Other Income	1,047	1,261	(17.0)	1,047	485	>100.0
Operating Expenses	(15,408)	(13,144)	17.2	(15,408)	(14,646)	5.2
Government Assistances	70	160	(56.3)	70	767	(90.9)
(Loss)/Profit from Operating Activities	(14,814)	1,919	N.M.	(14,814)	680	N.M.
Net Finance Expenses	(2,098)	(993)	>100.0	(2,098)	(268)	>100.0
Share of Profit/(Loss) of Associates	158	5,151	(96.9)	158	(29)	N.M.
(Loss)/Profit before Tax	(16,754)	6,077	N.M.	(16,754)	383	N.M.
Tax Expense	(109)	(273)	(60.1)	(109)	(343)	(68.2)
(Loss)/Period for the period	(16,863)	5,804	N.M.	(16,863)	40	N.M.

Revenue

The Group recorded a revenue of \$118.0 million for 1HFY23, representing a 4.1% and 19.0% decline over that for 1HFY22 of \$123.1 million and 2HFY22 of \$145.7 million respectively. This was mainly due to a drop in the construction activity in Singapore on the back of lower supply of public and private construction projects in 1HFY23 as compared to 2HFY22.

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)

The Group's construction activities in Malaysia have continued to register improvements since the easing of COVID-19 containment measures in August 2021. The productivity has also picked up following the resumption and completion of work for projects secured in previous quarters.

The Group has adopted a cautious approach in tendering for new projects in view of the escalating material and energy costs in the first half of 2022. With the stabilisation of construction material prices, the Group has successfully secured \$140 million worth of contracts between July 2022 and September 2022, which has boosted its order book to \$220 million as at 30 September 2022 (25 May 2022: \$150 million). However, work on these new projects has been delayed and is expected to commence in the coming quarters.

Gross (Loss)/Profit

The Group recorded a gross loss of \$0.5 million (1HFY22: gross profit of \$14.1 million; 2HFY22: gross profit of \$13.6 million) and gross loss margin of 0.4% (1HFY22: gross profit margin of 11.4%; 2HFY22: gross profit margin of 9.4%) in 1HFY23.

The low level of construction activity had given rise to low project margins that were further weighed down by rising material and energy costs as a result of global supply chain disruptions and geopolitical instability. Nevertheless, the projects were able to cover the variable project costs and generated a positive contribution margin of 28.9% in 1HFY23.

At gross profit level, the positive project contribution was also able to cover major project overheads such as depreciation and staff costs in 1HFY23. The Group believes that its current workforce is at the optimal level required to undertake the newly secured projects.

Other Income

	1HFY23 \$'000	2HFY22 \$'000	Change %	1HFY23 \$'000	1HFY22 \$'000	Change %
Gain on Disposal of Property Plant & Equipment	536	722	(25.8)	536	271	97.8
Other Miscellaneous Income	511	539	(5.2)	511	214	>100.0
Other Income	1,047	1,261	(17.0)	1,047	485	>100.0

Other income for 1HFY23 was lower compared to the \$1.3 million in 2HFY22, taking into account the lower gain from the disposal of older equipment in 1HFY23.

In 1HFY23 and 2HFY22, the Group capitalised on the higher steel prices in the sale of its scrap steel and hence generated higher sale proceeds as compared to 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)

Operating Expenses

	1HFY23 \$'000	2HFY22 \$'000	Change %	1HFY23 \$'000	1HFY22 \$'000	Change %
Other Operating Expenses	11,577	11,214	3.2	11,577	10,706	8.1
a) Distribution Expenses	609	524	16.2	609	689	(11.6)
b) Depreciation of:						
- Property, Plant and Equipment	500	303	65.0	500	248	>100.0
- Right-of-use Assets	1,558	856	82.0	1,558	870	79.1
c) Expected Credit Losses (Reversed)/ Recognised on Trade and Other Receivables and Contract Assets	-	(256)	N.M.	-	53	N.M.
d) Impairment Losses (Reversed)/ Recognised on Trade and Other Receivables and Contract Assets	(109)	(219)	(50.2)	(109)	1,408	N.M.
e) Impairment Losses/Write-Down of Other Assets	37	66	(43.9)	37	240	(84.6)
f) Exchange Loss	1,236	656	88.4	1,236	432	>100.0
Operating Expenses	15,408	13,144	17.2	15,408	14,646	5.2
Government Assistancess	(70)	(160)	(56.3)	(70)	(767)	(90.9)
Operating Expenses (Net of Government Assistancess) *	15,338	12,984	18.1	15,338	13,879	10.5
Other Operating Expenses /Revenue	9.8%	7.7%		9.8%	8.7%	

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

Other operating expenses for 1HFY23 increased by 3.2% to \$11.6 million, from \$11.2 million for 2HFY22, mainly due to increased business activities.

The Group recorded higher depreciation charge of \$1.6 million for right-of-use assets compared to \$0.9 million for 1HFY22 and 2HFY22 respectively, in view of the inclusion of its headquarters located at No 2, Tanjong Penjuru Crescent following the commencement of the lease in April 2022. Depreciation for the said right-of-use asset amounted to \$1.2 million in 1HFY23.

The Group recorded a foreign exchange loss of \$1.2 million for 1HFY23 (1HFY22: \$0.4 million; 2HFY22: \$0.7 million), due to the weakening of the Malaysia Ringgit and Thailand Baht against its functional currency, the Singapore Dollar.

The Group received \$0.1 million (1HFY22: \$0.8 million; 2HFY22: \$0.2 million) in grants, mainly from the Jobs Support Scheme and foreign worker levy rebates.

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

	1HFY23 \$'000	2HFY22 \$'000	Change %	1HFY23 \$'000	1HFY22 \$'000	Change %
Interest Income	61	53	15.1	61	82	(25.6)
Interest Expenses	(1,765)	(1,452)	21.6	(1,765)	(1,390)	27.0
Net Interest Expenses	(1,704)	(1,399)	21.8	(1,704)	(1,308)	30.3
Imputed Interest on:						
- Non-Current Assets	414	639	(35.2)	414	1,114	(62.8)
- Non-Current Liabilities	(123)	(169)	(27.2)	(123)	-	N.M.
Interest Expenses on Lease Liabilities	(685)	(64)	>100.0	(685)	(74)	>100.0
Net Finance Expenses	(2,098)	(993)	>100.0	(2,098)	(268)	>100.0

Net interest expenses was higher at \$1.7 million for 1HFY23 (1HFY22: \$1.3 million; 2HFY22: \$1.4 million), mainly due to a 70% rise in its floating interest rate during the period to approximately 6.0% as at 30 September 2022.

The Group recorded an interest expense of \$0.6 million (1HFY22 and 2HFY22: \$Nil) for the lease liability relating to its headquarters located at No 2, Tanjong Penjuru Crescent, in 1HFY23.

Share of Profit/(Loss) of Associates

As disclosed in note 2.1(a) on pages 12 to 13, the Group changed the accounting policy of an associate company's investment property from the cost model to the fair value model retrospectively on 1 April 2022.

The associate company's investment property was revalued during 2HFY22 based on a valuation performed by an independent professional valuer. The Group's share of the revaluation gain of \$5.2 million has been recognised in 2HFY22.

(Loss)/Profit for the period

Taking into account the above, the Group recorded a net loss before tax of \$16.8 million in 1HFY23 (1HFY22: net profit of \$0.4 million).

Loss per share for 1HFY23 was 0.475 cent (1HFY22: 0.003 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

Property, Plant and Equipment

Net book value of property, plant and equipment as at 30 September 2022 was \$127.1 million (31 March 2022: \$128.6 million).

In 1HFY23, the Group acquired new property, plant and equipment amounting to \$9.2 million. In addition, inventories (equipment and machinery) amounting to \$3.5 million were capitalised as property, plant and equipment following the reassessment of the economic uses of these inventories. Plant and equipment amounting to \$0.7 million were reclassified as inventories in 1HFY23. The Group disposed of plant and equipment with carrying values of \$2.1 million and recorded a \$0.5 million gain on the disposal. Depreciation charge for 1HFY23 was \$10.6 million (1HFY22: \$9.8 million).

Right-of-use Assets

Following the completion of the redevelopment of property located at No 2, Tanjong Penjuru Crescent ("2TPC"), the Group relocated its headquarters back to 2TPC in 1HFY23. Right-of-use asset and the lease liability relating to 2TPC amounting to \$37.8 million and \$39.1 million respectively as at 30 September 2022.

Net Current Assets

As at 30 September 2022, net current assets stood at \$8.4 million (31 March 2022: \$29.2 million). Current ratio (current assets / current liabilities) was 1.05 (31 March 2022: 1.18).

The Group held higher inventories of \$28.7 million as at 30 September 2022 (31 March 2022: \$27.2 million) as the Group procured a higher inventory level of key construction materials at lower unit prices in 1HFY23.

Trade and other receivables and contract assets decreased by \$13.2 million to \$113.5 million (31 March 2022: \$126.7 million), while trade and other payables and contract liabilities decreased by \$6.5 million to \$82.0 million (31 March 2022: \$88.5 million), in line with the lower level of business activity in 1HFY23.

Loans and Borrowings

The Group's loans and borrowings reduced by 4.9% to \$87.4 million as at 30 September 2022 (31 March 2022: \$91.9 million) as a result of net repayment made in 1HFY23.

The debt-to-equity ratio was 0.65 as at 30 September 2022 (31 March 2022: 0.61).

Equity and Net Asset Value

In 1HFY23, the Group completed the buy-back of 7.0 million ordinary shares for a purchase consideration of \$0.1 million. In this regard, there were 67.9 million shares with carrying values of \$3.0 million held as treasury shares as at 30 September 2022 (31 March 2022: 60.9 million shares with \$2.9 million).

As at 30 September 2022, the Group's equity stood at \$133.7 million (31 March 2022: \$150.8 million), while net asset value per ordinary share was 3.8 cents (31 March 2022: 4.3 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

	1HFY23 \$'000	2HFY22 \$'000	Change %	1HFY23 \$'000	1HFY22 \$'000	Change %
Cash Flow from Operating Activities	2,368	18,047	(86.9)	2,368	208	>100.0
Cash Flow from Investing Activities	(4,197)	(6,961)	(39.7)	(4,197)	(5,428)	(22.7)
Cash Flow from Financing Activities	(12,818)	(4,006)	>100.0	(12,818)	(1,656)	>100.0
Cash and Cash Equivalents	16,279	31,366	(48.1)	16,279	24,460	(33.4)

Cash Flow from Operating Activities

The Group generated net cash inflow of \$2.4 million from operating activities for 1HFY23 (1HFY22: \$0.2 million; 2HFY22: \$18.0 million), despite the net loss recorded. This was a result of focused working capital management and efforts to expedite the collections of receivables.

Cash Flow from Investing Activities

Net cash outflow from investing activities was lower at \$4.2 million for 1HFY23 (1HFY22: \$5.4 million; 2HFY22: \$7.0 million), mainly due to lower capital expenditure incurred in 1HFY23.

Cash Flow from Financing Activities

Net cash outflow from financing activities was \$12.8 million for 1HFY23 (1HFY22: \$1.7 million; 2HFY22: \$4.0 million), taking into account the higher net repayment of bank borrowings in 1HFY23. The Group had drawn down additional loan facilities and utilized more trade facilities to finance the business operations in both 1HFY22 and 2HFY22.

Cash and Cash Equivalents

Taking into consideration the above, the Group's cash and cash equivalents stood at \$16.3 million as at 30 September 2022 (30 September 2021: \$24.5 million; 31 March 2022: \$31.4 million).

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

2. Outlook

Singapore's core inflation reached a 14-year high at 5.3% in September 2022 and is expected to remain elevated before trending down in the second half of 2023 ¹. The Group expects the cost of major building materials and energy prices to remain high in tandem with the rise in inflation rate.

With further easing of COVID-19 restrictions in Singapore, the Group expects the resulting increase in the supply of migrant workers to the country to alleviate the manpower shortage situation. Given the backlog of recently awarded projects, the Group's construction activities are expected to increase and contribute to revenue in the coming months.

The Group continues to maintain a prudent approach towards new projects tenders. 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 it maintains a tight rein on costs.

The Group's order book stood at approximately \$200 million as at 14 November 2022 (25 May 2022: \$150 million). Barring unforeseen circumstances, the bulk of this order book should be delivered within the next nine months.

¹ Monetary Authority of Singapore, Consumer Price Developments in September 2022, 25 October 2022
(Source: <https://www.mas.gov.sg/-/media/MAS/EPG/CPD/2022/Inflation202209.pdf>)

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 2022 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)
	6 months ended 30/09/2022
	\$'000
Tat Hong HeavyEquipment (Pte.) Ltd. ⁽¹⁾	334

Note:

⁽¹⁾ Tat Hong HeavyEquipment (Pte.) Ltd. ("**THHE**") is the related corporation of TH Investments Pte Ltd ("**THI**"), a substantial shareholder of the Company. THHE is an associate of controlling shareholders of the Company, namely, THI, Tat Hong Investments Pte Ltd, Chwee Cheng & Sons Pte Ltd, Mr Ng Sun Ho Tony, Mr Ng San Wee David, Mr Ng Sun Giam Roger and Mr Ng San Tiong Roland (who is also Non-Executive Director 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

The Group's unaudited condensed interim financial statements for the 6 months ended 30 September 2022 are in line with the commentary disclosed in the profit guidance announcement dated 2 November 2022.

6. Dividend

No dividend has been declared/recommended for 1HFY23 and the corresponding period of the immediately preceding financial year, so as to preserve 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

14 November 2022