



CSC Holdings Limited and its subsidiaries
Registration Number: 199707845E

Condensed Consolidated Interim Financial Information
Six months ended 30 September 2022



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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 2022 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

14 November 2022

Condensed consolidated statement of financial position
As at 30 September 2022

	Note	30 September 2022 \$'000	31 March 2022 \$'000 Restated*
Non-current assets			
Property, plant and equipment	3	127,142	128,642
Right-of-use assets		43,094	3,015
Goodwill		552	552
Investment property		524	122
Investments in associates		8,424	8,278
Other investments		—	—
Contract assets		12,973	12,982
Trade and other receivables		5,160	6,961
Deferred tax assets		37	29
		<u>197,906</u>	<u>160,581</u>
Current assets			
Inventories		28,674	27,183
Contract assets		45,416	59,841
Trade and other receivables		68,108	66,908
Tax recoverable		424	420
Cash and cash equivalents		19,938	34,362
		<u>162,560</u>	<u>188,714</u>
Total assets		<u>360,466</u>	<u>349,295</u>
Equity attributable to owners of the Company			
Share capital	4	94,089	94,089
Reserves		14,164	30,966
		<u>108,253</u>	<u>125,055</u>
Non-controlling interests		25,461	25,703
Total equity		<u>133,714</u>	<u>150,758</u>
Non-current liabilities			
Loans and borrowings	5	65,206	30,293
Trade and other payables		4,976	6,389
Provisions		60	—
Deferred tax liabilities		2,383	2,298
		<u>72,625</u>	<u>38,980</u>
Current liabilities			
Loans and borrowings	5	66,684	64,729
Contract liabilities		390	299
Trade and other payables		81,625	88,212
Provisions		5,177	5,872
Current tax payable		251	445
		<u>154,127</u>	<u>159,557</u>
Total liabilities		<u>226,752</u>	<u>198,537</u>
Total equity and liabilities		<u>360,466</u>	<u>349,295</u>

* See note 1.3. The comparative information is restated on account of a change in accounting policy for investment property.

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 2022

		Six months ended	
		30 September	
	Note	2022	2021
		\$'000	\$'000
Revenue	6	118,013	123,089
Cost of sales		(118,536)	(109,015)
Gross (loss)/profit		(523)	14,074
Other income		1,047	485
Distribution expenses		(609)	(689)
Administrative expenses		(14,744)	(11,604)
Other operating expenses		(94)	(125)
Impairment loss reversed/(recognised) on trade and other receivables and contract assets		109	(1,461)
Results from operating activities		(14,814)	680
Finance income		475	1,196
Finance expenses		(2,573)	(1,464)
Net finance expenses		(2,098)	(268)
Share of profit/(loss) of associates (net of tax)		158	(29)
(Loss)/Profit before tax		(16,754)	383
Tax expense		(109)	(343)
(Loss)/Profit for the period	7	(16,863)	40
Attributable to:			
Owners of the Company		(16,721)	(108)
Non-controlling interests		(142)	148
(Loss)/Profit for the period		(16,863)	40
Loss per share			
Basic loss per share (cents)	8	(0.475)	(0.003)
Diluted loss per share (cents)	8	(0.475)	(0.003)

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 2022

	Six months ended	
	30 September	
	2022	2021
	\$'000	\$'000
(Loss)/Profit for the period	(16,863)	40
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	(84)	(586)
Other comprehensive expense for the period, net of tax	<u>(84)</u>	<u>(86)</u>
Total comprehensive expense for the period	<u>(16,947)</u>	<u>(46)</u>
Total comprehensive expense attributable to:		
Owners of the Company	(16,705)	(706)
Non-controlling interests	(242)	660
Total comprehensive expense for the period	<u>(16,947)</u>	<u>(46)</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 2022

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 changes in equity (continued)
For the six months ended 30 September 2022

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 2022, as previously stated	94,089	17,798	(2,921)	116	(2,334)	(6,713)	2,249	17,573	119,857	25,703	145,560
Impact of change in accounting policy (note 1.3)	–	–	–	–	–	–	–	5,198	5,198	–	5,198
At 1 April 2022, as restated	94,089	17,798	(2,921)	116	(2,334)	(6,713)	2,249	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	–	–	(97)	–	–	–	–	–	(97)	–	(97)
At 30 September 2022	94,089	17,798	(3,018)	116	(2,334)	(6,703)	2,166	6,139	108,253	25,461	133,714

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 2022

	Six months ended	
	30 September	
	2022	2021
	\$'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)	—
Impairment losses (reversed)/recognised on:		
- property, plant and equipment	(40)	226
- trade and other receivables and contract assets	(109)	1,461
Inventories written down	77	14
Net finance expenses	2,098	268
Provision for onerous contracts	—	217
Provision for rectification costs	642	546
Share of (profit)/loss of associates (net of tax)	(158)	29
Tax expense	109	343
	(1,472)	15,159
Changes in:		
- Inventories	(2,492)	(1,216)
- Contract assets	14,414	(5,297)
- Trade and other receivables	(1,054)	(11,196)
- Contract liabilities	91	(10)
- Trade and other payables	(5,615)	3,841
- Provision for onerous contracts	(620)	(217)
- Provision for rectification costs	(717)	(749)
Cash generated from operations	2,535	315
Taxes paid	(228)	(189)
Interest received	61	82
Net cash generated from operating activities	2,368	208
Cash flows from investing activities		
Dividends received from an associate	—	70
Proceeds from disposal of:		
- property, plant and equipment	2,761	663
Acquisition of:		
- property, plant and equipment	(6,958)	(6,189)
- investment property	—	(4)
- a subsidiary, net of cash acquired	—	32
Net cash used in investing activities	(4,197)	(5,428)

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 2022

	Six months ended	
	30 September	
	2022	2021
	\$'000	\$'000
Cash flows from financing activities		
Interest paid	(2,483)	(1,466)
Acquisition of non-controlling interests of a subsidiary	–	(3,292)
Proceeds from:		
- bank loans	4,675	8,422
- refinancing of lease liabilities	–	7,965
- 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)
- lease liabilities	(8,351)	(7,839)
Fixed deposits 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 beginning of period	31,366	31,326
Effect of exchange rate changes on balances held in foreign currencies	(440)	10
Cash and cash equivalents at end of period	16,279	24,460
Comprising:		
Cash and cash equivalents	19,938	29,140
Bank overdrafts	(3,059)	(4,080)
Fixed deposits pledged	(600)	(600)
Cash and cash equivalents in the condensed consolidated statement of cash flows	16,279	24,460

During the financial period, the Group acquired property, plant and equipment with an aggregate cost of \$9,169,000 (30 September 2021: \$5,684,000) of which \$Nil (30 September 2021: \$53,000) were acquired by means of hire purchase arrangements. Cash payments of \$6,958,000 (30 September 2021: \$6,189,000) were made to purchase property, plant and equipment, out of which \$1,739,000 (30 September 2021: \$1,236,000) was for the unpaid liabilities for prior period's acquisition of property, plant and equipment. At the reporting date, the unpaid liabilities from the purchase of property, plant and equipment amounted to \$3,950,000 (30 September 2021: \$678,000).

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 was authorised for issue by the directors on 14 November 2022.

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 2022, 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 Group’s financial position and financial performance since the last annual consolidated financial statements as at and for the year ended 31 March 2022.

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 2022.

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 2022, which were prepared in accordance with SFRS(I)s, except as explained in note 1.3, which addressed the changes in accounting policies.

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.

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 (see note 13).

1.3 Change in accounting policy

(i) 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.

Summary of quantitative impact

The following tables summarise the material impacts on the Group's consolidated 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 six-month period ended 30 September 2022, consolidated statement of financial position as at 1 April 2021 and condensed consolidated statement of profit or loss and condensed consolidated statement of comprehensive income for the six-month period ended 30 September 2021.

Consolidated statement of financial position

	Impact of change in accounting policy		
	As previously reported	Adjustments	As restated
	\$'000	\$'000	\$'000
1 April 2022			
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

(ii) 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.

2 Seasonal operations

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

The Group continues to face challenges as the countries in which the Group operates in grapple with supplier chains disruptions and rise in steel and diesel prices. As the global increase in commodity prices continues to evolve, there is significant uncertainty over the inflation and its full range of possible effects on the Group's financial and liquidity positions. The Group continues to focus on capital and cashflow management, including cost-cutting measures and actively seeking to enhance their financing facilities. These are expected to equip the Group with sufficient cash flows and financial resources to meet its obligations as and when they fall due.

3 Property, plant and equipment

During the six months ended 30 September 2022, the Group acquired assets amounting to \$9,169,000 (six months ended 30 September 2021: \$5,684,000) and disposed of assets amounting to \$2,147,000 (six months ended 30 September 2021: \$474,000).

4 Share capital

	30 September 2022		31 March 2022	
	No. of shares	\$'000	No. of shares	\$'000
Issued and fully-paid ordinary shares with no par value:				
At 1 April and				
30 September/31 March	3,588,348,176	94,089	3,588,348,176	94,089

During the six months ended 30 September 2022, the Company completed the buy-back of 7,000,000 (31 March 2022: 40,400,000) ordinary shares, representing 0.20% (31 March 2022: 1.15%) of the issued share capital on that date, under the terms of the Share Buyback Mandate dated 12 July 2022, approved by shareholders on 28 July 2022. The shares were bought back at an average market price, including incidental costs, of \$0.014 (31 March 2022: \$0.014) per share, for a consideration of \$97,000 (31 March 2022: \$567,000). This amount is classified as reduction in equity under 'reserve for own shares'. As at 30 September 2022, the Company held 67,920,000 (31 March 2022: 60,920,000) of its own uncanceled shares.

As at 30 September 2022, there were no outstanding shares options or warrants (31 March 2022: 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 2022 \$'000	31 March 2022 \$'000
Bank overdrafts	3,059	2,396
Bills payable	24,466	21,744
Secured bank loans	7,199	7,982
Unsecured bank loans	29,430	33,454
Lease liabilities	67,736	29,446
	<u>131,890</u>	<u>95,022</u>
Amount repayable:		
- in one year or less, or on demand	66,684	64,729
- after one year	65,206	30,293
	<u>131,890</u>	<u>95,022</u>

The loans and borrowings are guaranteed by the Company, out of which \$6,114,000 (31 March 2022: \$9,293,000) 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 \$15,352,000 (31 March 2022: \$15,844,000);
- (b) the Group's plant and equipment acquired under hire purchase arrangements with a carrying amount of \$35,676,000 (31 March 2022: \$41,522,000);
- (c) the Group's inventories acquired under hire purchase arrangements with a carrying amount of \$5,086,000 (31 March 2022: \$3,768,000); and
- (d) a charge over the Group's fixed deposits amounting to \$600,000 (31 March 2022: \$600,000).

6 Revenue

	Six months ended 30 September 2022 \$'000	2021 \$'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 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	
	2022	2021	2022	2021	2022	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 building products and 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>

7 (Loss)/Profit for the period

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

	Six months ended 30 September	
	2022	2021
	\$'000	\$'000
Bad debts written back	(3)	(178)
Depreciation of:		
- property, plant and equipment	10,557	9,824
- right-of-use assets	2,768	2,640
Expenses relating to short-term leases	8,271	6,748
Foreign exchange loss	1,236	432
Gain on disposal of property, plant and equipment	(536)	(271)
Gain on termination of lease liabilities	(14)	—
Government grants deducted from:		
- cost of sales	(506)	(1,715)
- administrative expenses	(70)	(767)
Impairment losses (reversed)/recognised on:		
- property, plant and equipment	(40)	226
- trade and other receivables and contract assets	(109)	1,461
Interest on lease liabilities	1,223	542
Inventories written down	77	14
Provision for onerous contracts	—	217
Provision for rectification costs	642	546

8 Loss per share

(a) Basic loss per share

	Six months ended 30 September	
	2022	2021
	\$'000	\$'000
Basic loss per share is based on:		
Net loss attributable to ordinary shareholders	(16,721)	(108)

	Six months ended 30 September	
	2022	2021
	No. of shares '000	No. of shares '000
Weighted average number of shares	3,521,696	3,567,828

(b) Diluted loss per share

Six months ended 30 September	
2022	2021
\$'000	\$'000

Diluted loss per share is based on:

Net loss attributable to ordinary shareholders	(16,721)	(108)
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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.

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

Six months ended 30 September	
2022	2021
No. of shares '000	No. of shares '000

Weighted average number of shares	3,521,696	3,567,828
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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.
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<i>Sale and lease of equipment:</i>	Sales and rental of foundation engineering equipment, machinery and spare parts.
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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	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
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)
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

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

	Six months ended 30 September	
	2022	2021
	\$'000	\$'000
Revenue		
Total revenue for reportable segments	126,791	133,097
Elimination of inter-segment revenue	(8,778)	(10,008)
Consolidated revenue	118,013	123,089
Profit or loss		
Total loss before tax for reportable segments	(15,853)	(201)
Total (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	158	(29)
Consolidated (loss)/profit before tax	(16,754)	383

	30 September 2022 \$'000	31 March 2022 \$'000
Assets		
Total assets for reportable segments	292,510	317,321
Total assets for other segments	20,139	21,611
	<u>312,649</u>	<u>338,932</u>
Investment 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	<u>360,466</u>	<u>349,295</u>
Liabilities		
Total liabilities for reportable segments	177,089	187,313
Total liabilities for other segments	4,082	4,269
	<u>181,171</u>	<u>191,582</u>
Deferred tax liabilities	2,383	2,298
Current tax payable	251	445
Other unallocated amounts	42,947	4,212
Consolidated total liabilities	<u>226,752</u>	<u>198,537</u>

10 Dividends

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

11 Commitment

Commitment not reflected in the financial statements at the reporting date is as follows:

Capital commitments

As at reporting date, capital expenditure contracted for but not recognised in the financial statements is as follows:

	30 September 2022 \$'000	31 March 2022 \$'000
Capital commitment in respect of:		
- acquisition of property, plant and equipment	<u>1,330</u>	<u>4,502</u>

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	
	2022	2021
	\$'000	\$'000
Short-term employee benefits	2,820	3,027
Post-employment benefits (including contributions to defined contribution plans)	108	129
	<u>2,928</u>	<u>3,156</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	
	2022	2021
	\$'000	\$'000
Professional fees	<u>15</u>	<u>15</u>

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	
	2022	2021
	\$'000	\$'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 relating to short-term leases	(299)	(727)
Purchase of plant and equipment	(190)	(204)
Upkeep of machinery and equipment expenses	<u>(27)</u>	<u>(22)</u>

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 2022.

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			
	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*	72,213	—	72,213	—	72,213	—	72,213
Cash and cash equivalents	19,938	—	19,938				
	<u>92,151</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>(149,120)</u>	<u>(149,120)</u>				

* *Excludes prepayments*

** *Excludes deposits received*

	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
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>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>(158,115)</u>	<u>(158,115)</u>				

* *Excludes prepayments*

** *Excludes deposits received*

Measurement 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.

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 2022 %	31 March 2022 %
Non-current trade and other receivables and non-current contract assets	3.00	3.00
Non-current trade and other payables	<u>2.08 – 3.30</u>	<u>2.08 – 3.30</u>

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	30 September 2022 Equity investments - FVOCI \$'000	31 March 2022 Equity investments - FVOCI \$'000
At 1 April	—	162
Change in fair value	—	(161)
Effect of movements in exchange rates	—	(1)
At 30 September/31 March	<u>—</u>	<u>—</u>