CSC Holdings Limited and its Subsidiaries
Registration Number: 199707845E

Condensed Consolidated Interim Financial Information
Six months ended 30 September 2019

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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 interim financial information of CSC Holdings Limited ("the Company") and its subsidiaries (the "Group") as at 30 September 2019 which comprises:

- the condensed consolidated statement of financial position as at 30 September 2019;
- the condensed consolidated statements of profit or loss for the three-month and six-month periods ended 30 September 2019;
- the condensed consolidated statements of comprehensive income for the three-month and six-month periods ended 30 September 2019;
- the condensed consolidated statement of changes in equity for the six-month period ended 30 September 2019;
- the condensed consolidated statement of cash flows for the six-month period ended 30 September 2019; and
- certain explanatory notes to the condensed consolidated interim financial information (the "Condensed Consolidated Interim Financial Information").

Management is responsible for the preparation and fair 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 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
7 November 2019

Condensed consolidated statement of financial position
As at 30 September 2019

	Note	30 September 2019 $'000	31 March 2019 $'000
Non-current assets			
Property, plant and equipment	3	137,534	137,101
Right-of-use assets		11,343	–
Goodwill		1,452	1,452
Investments in associates		598	651
Other investments		165	406
Contract assets		17,655	16,106
Trade and other receivables		1,962	2,007
Deferred tax assets		80	44
		170,789	157,767
Current assets			
Inventories		23,238	29,687
Contract assets		70,969	80,882
Trade and other receivables		73,018	53,757
Tax recoverable		322	506
Cash and cash equivalents		16,447	15,212
		183,994	180,044
Assets held for sale		15,031	15,539
		199,025	195,583
Total assets		369,814	353,350
Equity attributable to owners of the Company			
Share capital	4	82,306	81,635
Reserves		35,442	33,268
		117,748	114,903
Non-controlling interests		28,705	27,448
Total equity		146,453	142,351
Non-current liabilities			
Loans and borrowings	5	15,912	17,392
Lease liabilities		8,817	–
Deferred tax liabilities		2,327	2,079
		27,056	19,471
Current liabilities			
Loans and borrowings	5	83,969	85,313
Lease liabilities		2,638	–
Contract liabilities		3,003	4,225
Trade and other payables		98,513	95,434
Provisions		7,521	6,113
Current tax payable		661	443
		196,305	191,528
Total liabilities		223,361	210,999
Total equity and liabilities		369,814	353,350

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

Condensed consolidated statements of profit or loss
For the three months and six months ended 30 September 2019

	Note	Three months ended 30 September		Six months ended 30 September	
		2019	2018	2019	2018
		$'000	$'000	$'000	$'000
Revenue	6	89,903	94,552	170,427	175,854
Cost of sales		(79,131)	(89,609)	(149,973)	(166,575)
Gross profit		10,772	4,943	20,454	9,279
Other income		648	408	1,240	1,228
Distribution expenses		(242)	(228)	(348)	(459)
Administrative expenses		(7,036)	(6,898)	(14,059)	(13,245)
Other operating expenses		(755)	(119)	(1,102)	(161)
Impairment loss (recognised)/reversed on trade and other receivables and contract assets		(247)	(91)	(344)	20
Results from operating activities		3,140	(1,985)	5,841	(3,338)
Finance income		380	1,065	691	996
Finance expenses		(1,316)	(1,019)	(2,539)	(1,856)
Net finance expenses		(936)	46	(1,848)	(860)
Share of loss of associates (net of tax)		(32)	(5)	(82)	(5)
Profit/(Loss) before tax		2,172	(1,944)	3,911	(4,203)
Tax expense		(316)	(267)	(659)	(449)
Profit/(Loss) for the period	7	1,856	(2,211)	3,252	(4,652)
Attributable to:					
Owners of the Company		1,439	(2,805)	2,181	(5,705)
Non-controlling interests		417	594	1,071	1,053
Profit/(Loss) for the period		1,856	(2,211)	3,252	(4,652)
Profit/(Loss) per share					
Basic profit/(loss) per share (cents)	8	0.06	(0.13)	0.09	(0.26)
Diluted profit/(loss) per share (cents)	8	0.05	(0.13)	0.07	(0.26)

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

Condensed consolidated statements of comprehensive income
For the three months and six months ended 30 September 2019

	Three months ended 30 September		Six months ended 30 September	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
Profit/(Loss) for the period	1,856	(2,211)	3,252	(4,652)
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss:				
Foreign currency translation differences				
- foreign operations	246	(653)	179	(811)
Other comprehensive income for the period, net of tax	246	(653)	179	(811)
Total comprehensive income for the period	2,102	(2,864)	3,431	(5,463)
Total comprehensive income attributable to:				
Owners of the Company	1,561	(3,405)	2,174	(6,414)
Non-controlling interests	541	541	1,257	951
Total comprehensive income for the period	2,102	(2,864)	3,431	(5,463)

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 2019

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
Balance at 1 April 2018, as previously reported	80,498	17,798	(2,354)	116	(881)	(5,770)	11,199	31,834	132,440	26,761	159,201
Adjustment on initial adoption of SFRS(I) 15	–	–	–	–	–	1	–	185	186	–	186
Adjusted balances at 1 April 2018	80,498	17,798	(2,354)	116	(881)	(5,769)	11,199	32,019	132,626	26,761	159,387
Adjustment on initial adoption of SFRS(I) 9								(270)	(270)	(122)	(392)
Adjusted balances at 1 April 2018	80,498	17,798	(2,354)	116	(881)	(5,769)	11,199	31,749	132,356	26,639	158,995
Total comprehensive income for the period											
(Loss)/Profit for the period	–	–	–	–	–	–	–	(5,705)	(5,705)	1,053	(4,652)
Other comprehensive income											
Foreign currency translation differences	–	–	–	–	–	(709)	–	–	(709)	(102)	(811)
Transfer of revaluation surplus of property, plant and equipment	–	–	–	–	–	–	(298)	298	–	–	–
Total other comprehensive income	–	–	–	–	–	(709)	(298)	298	(709)	(102)	(811)
Total comprehensive income for the period	–	–	–	–	–	(709)	(298)	(5,407)	(6,414)	951	(5,463)
Transactions with owners of the Company, recorded directly in equity											
Contributions by and distributions to owners											
Issue of shares from exercise of warrants	31	–	–	–	–	–	–	–	31	–	31
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	(150)	(150)
Total contributions by and distributions to owners	31	–	–	–	–	–	–	–	31	(150)	(119)
At 30 September 2018	80,529	17,798	(2,354)	116	(881)	(6,478)	10,901	26,342	125,973	27,440	153,413

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 2019

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 2019	81,635	17,798	(2,354)	116	(881)	(6,141)	11,719	13,011	114,903	27,448	142,351
Total comprehensive income for the period											
Profit for the period	–	–	–	–	–	–	–	2,181	2,181	1,071	3,252
Other comprehensive income											
Foreign currency translation differences	–	–	–	–	–	(7)	–	–	(7)	186	179
Transfer of revaluation surplus of property, plant and equipment	–	–	–	–	–	–	(159)	159	–	–	–
Total other comprehensive income	–	–	–	–	–	(7)	(159)	159	(7)	186	179
Total comprehensive income for the period	–	–	–	–	–	(7)	(159)	2,340	2,174	1,257	3,431
Transactions with owners of the Company, recorded directly in equity											
Contributions by and distributions to owners											
Issue of shares from exercise of warrants	671	–	–	–	–	–	–	–	671	–	671
Total transactions with owners of the Company	671	–	–	–	–	–	–	–	671	–	671
At 30 September 2019	82,306	17,798	(2,354)	116	(881)	(6,148)	11,560	15,351	117,748	28,705	146,453

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 2019

	Six months ended 30 September 2019	2018
	$'000	**$'000**
Cash flows from operating activities		
Profit/(Loss) for the period	3,252	(4,652)
Adjustments for:		
Bad debts written back	–	(15)
Depreciation of:		
- property, plant and equipment	13,510	12,134
- right-of-use assets	1,335	–
Gain on disposal of:		
- property, plant and equipment	(638)	(783)
- assets held for sale	(259)	–
Impairment losses recognised/(reversed) on:		
- property, plant and equipment	–	(16)
- other investment	240	–
- trade and other receivables and contract assets	344	(20)
Inventories written down	768	142
Inventories written off	52	130
Net finance expenses	1,848	860
Property, plant and equipment written off	28	1
Provision for onerous contracts	988	–
Provision for rectification costs	2,449	456
Share of loss of associates (net of tax)	82	5
Tax expense	659	449
	24,658	8,691
Changes in:		
Inventories	(550)	(627)
Contract assets	8,832	(12,224)
Trade and other receivables	(18,059)	(25,505)
Contract liabilities	(1,222)	1,096
Trade and other payables	2,667	24,156
Cash generated from/(used in) operations	16,326	(4,413)
Taxes paid	(381)	(536)
Interest received	102	170
Net cash generated from/(used in) operating activities	16,047	(4,779)

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 2019

	Six months ended 30 September 2019 $'000	2018 $'000
Cash flows from investing activities		
Proceeds from disposal of:		
- property, plant and equipment	1,444	1,337
- assets held for sale	915	–
Proceeds from government grants for acquisition of property, plant and equipment	–	158
Dilution of interests in a subsidiary, net of cash disposed of	–	(52)
Purchase of property, plant and equipment	(4,975)	(9,421)
Investment in an associate	–	(27)
Shareholder's loan due from an associate	–	(1,400)
Subscription of convertible notes in investee	–	(120)
Net cash used in investing activities	(2,616)	(9,525)
Cash flows from financing activities		
Interest paid	(2,491)	(1,884)
Dividends paid to non-controlling interests of a subsidiary	–	(150)
Proceeds from:		
- bank loans	15,540	10,375
- refinancing of finance lease liabilities	1,071	–
- bills payable	87,099	75,992
- issue of shares from exercise of warrants	671	31
Repayment of:		
- bank loans	(15,305)	(10,123)
- bills payable	(92,483)	(61,598)
- finance lease liabilities	(5,396)	(4,639)
- lease liabilities	(1,223)	–
Net cash (used in)/generated from financing activities	(12,517)	8,004
Net increase/(decrease) in cash and cash equivalents	914	(6,300)
Cash and cash equivalents at beginning of period	7,193	15,758
Effect of exchange rate changes on balances held in foreign currencies	17	(7)
Cash and cash equivalents at end of period	8,124	9,451
Comprising:		
Cash and cash equivalents	16,447	14,970
Bank overdrafts	(8,323)	(5,519)
Cash and cash equivalents in the consolidated statement of cash flows	8,124	9,451

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 20199

During the financial period, the Group acquired property, plant and equipment with an aggregate cost of $5,979,000 (30 September 2018: $11,783,000) of which $740,000 (30 September 2018: $1,316,000) were acquired by means of finance leases. Cash payments of $4,975,000 (30 September 2018: $9,421,000) were made to purchase property, plant and equipment, out of which $883,000 (30 September 2018: $2,238,000) was for the unpaid liabilities for prior year's acquisition of property, plant and equipment. At the reporting date, the unpaid liabilities from the purchase of property, plant and equipment amounted to $1,147,000 (30 September 2018: $3,442,000).

Notes to the condensed consolidated interim financial information

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

The condensed consolidated interim financial information were authorised for issue by the directors on 7 November 2019.

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 three months and six months ended 30 September 2019, 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 performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 March 2019.

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 2019.

The condensed consolidated interim financial information is the first set of the Group's financial statements in which SFRS(I) 16 *Leases* has been applied. 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 2019, which were prepared in accordance with SFRS(I)s except for changes arising from the application of new standards (namely SFRS(I) 16 *Leases*) as set out in Note 14.

The changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 March 2020.

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

1.2 Use of judgements and estimates

In preparing the condensed consolidated interim financial information, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2019.

2 Seasonal operations

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

3 Property, plant and equipment

During the six months ended 30 September 2019, the Group acquired assets amounting to \$5,979,000 (31 March 2019: \$16,885,000) and disposed of assets amounting to \$2,042,000 (31 March 2019: \$1,731,000).

4 Share capital

	30 September 2019		31 March 2019	
	No. of shares	$'000	No. of shares	$'000
Issued and fully-paid ordinary shares with no par value:				
At 1 April	2,342,882,546	81,635	2,229,145,881	80,498
Exercise of warrants	67,130,400	671	113,736,665	1,137
At 30 September/31 March	2,410,012,946	82,306	2,342,882,546	81,635

There were no share buybacks during the financial period. As at 30 September 2019, the Company held 20,520,000 (31 March 2019: 20,520,000) of its own uncancelled shares.

During the six months ended 30 September 2019, 67,130,400 shares were issued upon exercise of 67,130,400 warrants at \$0.01 each, pursuant to the Rights cum Warrants Issue dated 30 December 2015.

As at 30 September 2019, there were outstanding warrants of 1,239,678,225 (31 March 2019: 1,306,808,625) 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.

In prior year, in anticipation that the Group's consolidated tangible net worth as at 31 March 2019 would fall below the $160 million requirement for one of the secured loans amounting to $5,232,000, the Group obtained a waiver of the covenant, which was conditional upon the Group's consolidated EBITDA not being less than $10 million for the 6-month period ended 30 September 2019 and the completion of sale of leasehold land and property, which is currently classified as asset held for sale, by 30 September 2019. In the current period, the Group requested for an extension of the completion of sale of leasehold land and property due to expected delays. On 26 September 2019, the bank has granted a 6-month extension to 31 March 2020. Accordingly, the loan remains classified as "current" as at 30 September 2019.

5 Loans and borrowings

	30 September 2019 $'000	31 March 2019 $'000
Bank overdrafts	8,323	8,019
Bills payable	25,888	31,272
Secured bank loans	9,713	10,793
Unsecured bank loans	33,353	31,871
Finance lease liabilities	22,604	20,750
	99,881	102,705
Amount repayable:		
- in one year or less, or on demand	83,969	85,313
- after one year	15,912	17,392
	99,881	102,705

The loans and borrowings are guaranteed by the Company, out of which $16,022,000 (31 March 2019: $15,148,000) are also guaranteed by a related corporation.

The secured bank loans and finance lease liabilities are secured by:

(a) a charge over the Group's leasehold land and properties, and plant and machinery with carrying amounts of $10,398,000 (31 March 2019: $10,720,000) and $648,000 (31 March 2019: $680,000) respectively;

(b) a charge over the Group's leasehold land and property classified as asset held for sale with a carrying amount of $13,135,000 (31 March 2019: $13,135,000);

(c) the Group's plant and equipment acquired under finance lease arrangements with a carrying amount of $37,187,000 (31 March 2019: $30,387,000); and

(d) the Group's inventories acquired under finance lease arrangements with a carrying amount of $1,171,000 (31 March 2019: $4,765,000).

6 Revenue

	Three months ended 30 September		Six months ended 30 September	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
Revenue from contracts with customers	85,960	91,277	163,018	169,773
Rental income	3,943	3,275	7,409	6,081
	89,903	94,552	170,427	175,854

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 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 Three months ended 30 September		Sales and lease of equipment Three months ended 30 September		Total reportable segments Three months ended 30 September	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Geographical regions						
Singapore	68,053	57,383	4,799	13,640	72,852	71,023
Malaysia	8,567	18,196	1,332	190	9,899	18,386
Thailand	–	–	885	1,758	885	1,758
India	–	–	1,200	–	1,200	–
Other regions	–	–	1,124	110	1,124	110
	76,620	75,579	9,340	15,698	85,960	91,277
Major revenue streams						
Construction contracts	76,530	75,368	–	–	76,530	75,368
Trading of building products and plant and equipment	90	211	9,340	15,698	9,430	15,909
	76,620	75,579	9,340	15,698	85,960	91,277
Timing of revenue recognition						
Products transferred at a point in time	90	211	9,072	15,698	9,162	15,909
Products and services transferred over time	76,530	75,368	268	–	76,798	75,368
	76,620	75,579	9,340	15,698	85,960	91,277

	Foundation and geotechnical engineering Six months ended 30 September		**Sales and lease of equipment Six months ended 30 September**		**Total reportable segments Six months ended 30 September**	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Geographical regions						
Singapore	130,960	113,713	10,086	19,814	141,046	133,527
Malaysia	17,090	29,918	1,495	3,349	18,585	33,267
Thailand	–	–	1,060	2,772	1,060	2,772
India	–	–	1,200	31	1,200	31
Other regions	–	–	1,127	176	1,127	176
	148,050	143,631	14,968	26,142	163,018	169,773

	Foundation and geotechnical engineering Six months ended 30 September		**Sales and lease of equipment Six months ended 30 September**		**Total reportable segments Six months ended 30 September**	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Major revenue streams						
Construction contracts	147,765	143,335	–	–	147,765	143,335
Trading of building products and plant and equipment	285	296	14,968	26,142	15,253	26,438
	148,050	143,631	14,986	26,142	163,018	169,773
Timing of revenue recognition						
Products transferred at a point in time	285	296	14,591	26,142	14,876	26,438
Products and services transferred over time	147,765	143,335	377	–	148,142	143,335
	148,050	143,631	14,968	26,142	163,018	169,773

7 Profit/(Loss) for the period

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

	Three months ended 30 September		Six months ended 30 September	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Bad debts written off/(back)	–	23	–	(15)
Depreciation of:				
- property, plant and equipment	7,539	6,115	13,510	12,134
- right-of-use assets	702	–	1,335	–
Expenses relating to short-term leases	4,523	–	9,859	–
Foreign exchange gain	(471)	(13)	(229)	(26)
Gain on disposal of:				
- property, plant and equipment	(528)	(116)	(638)	(783)
- assets held for sale	–	–	(259)	–
Impairment losses recognised/(reversed) on:				
- property, plant and equipment	–	–	–	(16)
- other investment	–	–	240	–
- trade and other receivables and contract assets	247	91	344	(20)
Interest on lease liabilities	123	–	264	–
Inventories written down	694	84	768	142
Inventories written off	27	121	52	130
Operating lease expenses	–	7,767	–	15,195
Property, plant and equipment written off	17	1	28	1
Provision for onerous contracts	988	–	988	–
Provision for rectification costs	902	252	2,449	456

8 Profit/(Loss) per share

(a) Basic profit/(loss) per share

	Three months ended 30 September		Six months ended 30 September	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Basic profit/(loss) per share is based on:				
Net profit/(loss) attributable to ordinary shareholders	1,439	(2,805)	2,181	(5,705)

	Three months ended 30 September		Six months ended 30 September	
	2019	2018	2019	2018
	No. of shares '000	No. of shares '000	No. of shares '000	No. of shares '000
Weighted average number of shares	2,339,797	2,211,363	2,332,838	2,210,302

(b) Diluted profit/(loss) per share

	Three months ended 30 September		Six months ended 30 September	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Diluted profit/(loss) per share is based on:				
Net profit/(loss) attributable to ordinary shareholders	1,439	(2,805)	2,181	(5,705)

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

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

	Three months ended 30 September		Six months ended 30 September	
	2019	2018	2019	2018
	No. of shares	No. of shares	No. of shares	No. of shares
	'000	'000	'000	'000
Weighted average number of shares	3,005,281	2,211,363*	2,975,558	2,210,302*

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

9 Segmental information

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

Foundation and geotechnical engineering:	Includes civil engineering, piling, foundation and geotechnical engineering, soil investigation, land surveying and other related services.
Sale and lease of equipment:	Sales and rental of foundation engineering equipment, machinery and spare parts.

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

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

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

Information about reportable segments

	Foundation and geotechnical engineering Three months ended 30 September		Sales and lease of equipment Three months ended 30 September		Total reportable segments Three months ended 30 September	
	2019*	**2018**	**2019***	**2018**	**2019***	**2018**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
External revenue	76,871	75,640	13,032	18,912	89,903	94,552
Inter-segment revenue	9,298	19,900	2,834	4,008	12,132	23,908
Reportable segment profit/(loss) before tax	1,424	(3,534)	658	1,566	2,082	(1,968)

	Foundation and geotechnical engineering Six months ended 30 September		Sales and lease of equipment Six months ended 30 September		Total reportable segments Six months ended 30 September	
	2019*	**2018**	**2019***	**2018**	**2019***	**2018**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
External revenue	148,307	143,787	22,120	32,067	170,427	175,854
Inter-segment revenue	21,351	32,454	12,058	8,349	33,409	40,803
Reportable segment profit/(loss) before tax	1,244	(6,677)	3,243	2,205	4,487	(4,472)

	Foundation and geotechnical engineering Six months ended		Sales and lease of equipment Six months ended		Total reportable segments Six months ended	
	30 September 2019*	**31 March 2019**	**30 September 2019***	**31 March 2019**	**30 September 2019***	**31 March 2019**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Reportable segment assets	254,553	245,366	99,204	91,206	353,757	336,572
Reportable segment liabilities	166,824	160,585	46,958	41,127	213,782	201,712

* The Group has initially applied SFRS(I) 16 at 1 April 2019, which requires the recognition of right-of-use assets and lease liabilities for lease contracts that were previously classified as operating lease. As a result, the Group recognised $12,160,000 of right-of-use assets and $12,160,000 of liabilities from those lease contracts. The assets and liabilities are included in the foundation and geotechnical engineering and sales and lease of equipment segments as at 30 September 2019. The Group has applied SFRS(I) 16 using the modified retrospective approach, under which comparative information is not restated (see Note 14).

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

	Three months ended 30 September		Six months ended 30 September	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
Revenue				
Total revenue for reportable segments	102,035	118,460	203,836	216,657
Elimination of inter-segment revenue	(12,132)	(23,908)	(33,409)	(40,803)
Consolidated revenue	89,903	94,552	170,427	175,854

	Three months ended 30 September		Six months ended 30 September	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
Profit or loss				
Total profit/(loss) before tax for reportable segments	2,082	(1,968)	4,487	(4,472)
Total (loss)/profit before tax for other segments	(86)	543	(181)	502
	1,996	(1,425)	4,306	(3,970)
Elimination of inter-segment transactions	1,575	1,055	2,382	2,634
Unallocated amounts:				
- other corporate expenses	(1,367)	(1,569)	(2,695)	(2,862)
Share of loss of associates	(32)	(5)	(82)	(5)
Consolidated profit/(loss) before tax	2,172	(1,944)	3,911	(4,203)

	30 September 2019	31 March 2019
	$'000	**$'000**
Assets		
Total assets for reportable segments	353,757	336,572
Total assets for other segments	14,611	15,002
	368,368	351,574
Investments in associates	598	651
Deferred tax assets	80	44
Tax recoverable	322	506
Other unallocated amounts	446	575
Consolidated total assets	369,814	353,350
Liabilities		
Total liabilities for reportable segments	213,782	201,712
Total liabilities for other segments	5,306	5,467
	219,088	207,179
Deferred tax liabilities	2,327	2,079
Current tax payable	661	443
Other unallocated amounts	1,285	1,298
Consolidated total liabilities	223,361	210,999

10 Dividends

No interim dividends were paid by the Company in respect of the six months ended 30 September 2019 and 2018.

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 2019 $'000	31 March 2019 $'000
Capital commitment in respect of:		
- acquisition of property, plant and equipment	75	–

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	
	2019 $'000	2018 $'000
Short-term employee benefits	2,701	2,594
Post-employment benefits (including contributions to defined contribution plans)	109	107
	2,810	2,701

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	
	2019 $'000	2018 $'000
Professional fees	15	15

Other related party transactions

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

	Three months ended 30 September		Six months ended 30 September	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Companies in which a substantial shareholder of the Group has substantial financial interests				
Revenue from foundation engineering works	3	320	6	321
Revenue from rental and service income	7	72	29	152
Sale of plant and equipment	–	–	–	259
Rental and operating lease expenses	–	(1,635)	–	(3,316)
Expenses relating to short-term leases	(782)	–	(1,675)	–
Purchase of plant and equipment	(55)	–	(55)	(73)
Upkeep of machinery and equipment expenses	(108)	(163)	(208)	(327)
Shareholder's loan to an associate*	–	–	–	(972)
Shareholder's loan to other investments*	–	(99)	–	(243)

** In proportion to the Group's shareholdings in the associate and other investments*

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 2019.

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.

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. Further, the fair value disclosure of lease liabilities is not required for the current period.

	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 2019								
Financial assets measured at fair value								
Equity investments – at FVOCI	–	165	–	165	–	–	165	165
Financial assets not measured at fair value								
Trade and other receivables*	72,173	–	–	72,173	–	72,173	–	72,173
Cash and cash equivalents	16,447	–	–	16,447				
	88,620	–	–	88,620				
Financial liabilities not measured at fair value								
Bank overdrafts	–	–	(8,323)	(8,323)				
Bills payable	–	–	(25,888)	(25,888)				
Secured bank loans	–	–	(9,713)	(9,713)				
Unsecured bank loans	–	–	(33,353)	(33,353)				
Finance lease liabilities	–	–	(22,604)	(22,604)	–	(20,480)	–	(20,480)
Trade and other payables**	–	–	(97,421)	(97,421)				
	–	–	(197,302)	(197,302)				

* *Excludes prepayments*
** *Excludes deposits received and deferred revenue*

	Carrying amount					Fair value			
	Mandatorily at FVTPL – others $'000	Amortised cost $'000	FVOCI – equity instruments $'000	Other financial liabilities $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
31 March 2019									
Financial assets measured at fair value									
Equity investments – at FVOCI	–	–	166	–	166	–	–	166	166
Debt investments – mandatorily at FVTPL	240	–	–	–	240	–	–	240	240
	240	–	166	–	406				
Financial assets not measured at fair value									
Trade and other receivables*	–	55,324	–	–	55,324	–	55,324	–	55,324
Cash and cash equivalents	–	15,212	–	–	15,212				
	–	70,536	–	–	70,536				
Financial liabilities not measured at fair value									
Bank overdrafts	–	–	–	(8,019)	(8,019)				
Bills payable	–	–	–	(31,272)	(31,272)				
Secured bank loans	–	–	–	(10,793)	(10,793)				
Unsecured bank loans	–	–	–	(31,871)	(31,871)				
Finance lease liabilities	–	–	–	(20,750)	(20,750)	–	(18,772)	–	(18,772)
Trade and other payables**	–	–	–	(94,054)	(94,054)				
	–	–	–	(196,759)	(196,759)				

* *Excludes prepayments*
** *Excludes deposits received and deferred revenue*

Measurement of fair values

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

Debt investments and equity investments

The fair value of debt investments is determined by reference to the latest round of financing price occurring within the financial year which is deemed to approximate the fair value at reporting date. The key unobservable input comprises the most recent transaction price. The estimated fair value would increase/(decrease) if the recent transaction prices were higher/(lower).

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

Non-current finance lease liabilities and non-current trade and other receivables

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

Floating interest rate bank loans

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

Other financial assets and liabilities

The notional amounts of financial assets and liabilities with a maturity of less than one year (including current trade and other receivables, cash and cash equivalents, trade and other payables and short-term borrowings) are assumed to approximate their fair values because of the short period to maturity.

Interest rates used in determining fair values

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

	30 September 2019 %	**31 March 2019 %**
Non-current trade and other receivables	4.88	4.88
Finance lease liabilities	1.60 – 3.40	1.50 – 3.40

Transfers between Levels 1, 2 and 3

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

Level 3 fair values

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

Group	**Equity investments - FVOCI $'000**	**Debt investments – mandatorily at FVTPL $'000**
At 1 April 2018 (adjusted)	169	120
Purchases	–	120
Effect of movements in exchange rates	(4)	–
At 30 September 2018	165	240
At 1 April 2019	166	240
Impairment loss	–	(240)
Effect of movements in exchange rates	(1)	–
At 30 September 2019	165	–

14 Adoption of new standards

The Group has initially adopted SFRS(I) 16 *Leases* from 1 April 2019. A number of other new standards are effective from 1 April 2019 but they do not have a material effect on the Group's condensed consolidated interim financial information.

SFRS(I) 16

SFRS(I) 16 introduces a lessee accounting model, whereby a lessee is required to recognise assets (right-of-use asset) and liabilities (lease liability) arising from a lease on its balance sheet. There are also practical expedients available for short-term leases (less than 12 months), leases of low-value items as well as portfolio-level accounting.

The Group has initially adopted SFRS(I) 16 in its condensed consolidated interim financial information for the six month period ended 30 September 2019, using the modified retrospective approach, under which the cumulative effect of initial application is recognised in accumulated profits at 1 April 2019. As a result, the comparative information presented for 2019 has not been restated – i.e. it is presented, as previously reported, under SFRS(I) 1-17 and related interpretations.

The Group has applied practical expedients for the following:

- Short-term leases with less than 12 months lease term and leases of low-value assets. This means that the Group applies exemption not to recognise the right-of-use assets and lease liabilities for leases in which the lease term ends within 12 months and leases of low-value assets of the date of initial application and/or lease commencement date. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

- To grandfather the assessment of which transactions are leases. This means that the Group applies SFRS(I) 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under SFRS(I) 1-17 and SFRS(I) INT 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under SFRS(I) 16 was applied only to contracts entered into or changed on or after 1 April 2019.

- Portfolio-level accounting where the Group applies a single discount rate to a portfolio of leases with similar characteristics.

- Use of hindsight in determining lease terms if the contract contains options to extend or terminate the lease.

- Exclusion of initial direct costs from right-of-use asset measurement at the date of initial application.

The impact upon the adoption of SFRS(I) 16 and estimation uncertainties involved made in applying the standard are described below.

(i) Accounting policies

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*.

The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under SFRS(I) 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

At inception or a reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which it is a lessee, the Group has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(a) As a lessee

The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership under SFRS(I) 1-17 *Leases*. Leases that were previously classified as operating leases under SFRS(I) 1-17 were not recognised in the Group's statement of financial position. Lease payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between finance expense and reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Under SFRS(I) 16, the Group recognises right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligation to make lease payments at the lease commencement date – i.e. these leases are on-balance sheet.

The right-of-use asset is initially measured at cost and subsequently at cost less accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liabilities.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

(b) As a lessor

The accounting policies applicable for the Group as a lessor are not different from those under SFRS(1) 1-17.

(ii) Impact on financial statements

(a) Impact on transition

On transition to SFRS(I) 16, the Group recognised additional right-of-use assets and lease liabilities, recognising the difference in accumulated profits. The impact on transition is summarised below.

	1 April 2019
	$'000
Right-of-use assets	12,160
Lease liabilities	(12,160)

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 April 2019. The weighted average rate applied ranged from 2.99% to 4.88%.

	1 April 2019 **$'000**
Operating lease commitment at 31 March 2019 as disclosed in the Group's consolidated financial statements	19,612
Discounted using the incremental borrowing rate at 1 April 2019	(3,466)
Recognition exemption for leases with less than 12 months of lease term at transition	(3,986)
Lease liabilities recognised at 1 April 2019	12,160

(b) Impact for the period

In relation to those leases under SFRS(I) 16, the Group recognised depreciation and interest costs, instead of operating lease expense. During the six months ended 30 September 2019, the Group recognised $1,335,000 of depreciation charges and $264,000 of interest costs from these leases.

Applicable to financial statements for the year 2021 and thereafter

The following new SFRS(I), amendments to and interpretations of SFRS(I) are effective for annual periods beginning after 1 April 2022:

Applicable to 2021 financial statements

- Amendments to SFRS(I) 3 *Business Combinations*
- Amendments to SFRS(I) 1-1 *Presentation of Financial Statements and SFRS(I) 1-8 Accounting Policies, Changes in Accounting Estimates and Errors*
- Amendments to References to the Conceptual Framework in SFRS(I) Standards

Applicable to 2022 financial statements

- SFRS(I) 17 *Insurance Contracts**

* The International Accounting Standards Board proposed to defer the effective date of SFRS(I) 17 to 2023.

The Group is still in the process of assessing the impact of the new SFRS(I), amendments to and interpretations of SFRS(I) on the financial statements.