



CSC Holdings Limited and its subsidiaries
Registration Number: 199707845E

Condensed Consolidated Interim Financial Information
Six months ended 30 September 2020



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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 2020 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*.



*CSC Holdings Limited and its subsidiaries
Independent auditors' report on review of
condensed consolidated interim financial information
for the six months ended 30 September 2020*

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

5 November 2020

Condensed consolidated statement of financial position
As at 30 September 2020

| | Note | 30 September 2020 \$'000 | 31 March 2020 \$'000 |
|--|------|--------------------------------|----------------------------|
| Non-current assets | | | |
| Property, plant and equipment | 3 | 127,076 | 132,466 |
| Right-of-use assets | | 6,341 | 8,159 |
| Goodwill | | 1,092 | 1,092 |
| Investment property | | 258 | 187 |
| Investment in associates | 4 | 3,527 | 531 |
| Other investments | | 165 | 165 |
| Contract assets | | 13,609 | 15,780 |
| Trade and other receivables | | 2,836 | 3,114 |
| Deferred tax assets | | 43 | 89 |
| | | <u>154,947</u> | <u>161,583</u> |
| Current assets | | | |
| Inventories | | 30,870 | 31,865 |
| Contract assets | | 48,467 | 61,935 |
| Trade and other receivables | | 51,336 | 68,776 |
| Tax recoverable | | 383 | 128 |
| Cash and cash equivalents | | 26,135 | 19,179 |
| | | <u>157,191</u> | <u>181,883</u> |
| Assets held for sale | 5 | 811 | 21,114 |
| | | <u>158,002</u> | <u>202,997</u> |
| Total assets | | <u><u>312,949</u></u> | <u><u>364,580</u></u> |
| Equity attributable to owners of the Company | | | |
| Share capital | 6 | 85,509 | 84,389 |
| Reserves | | 24,867 | 38,103 |
| | | <u>110,376</u> | <u>122,492</u> |
| Non-controlling interests | | 28,079 | 29,126 |
| Total equity | | <u>138,455</u> | <u>151,618</u> |
| Non-current liabilities | | | |
| Loans and borrowings | 7 | 16,201 | 15,790 |
| Deferred tax liabilities | | 2,546 | 2,236 |
| | | <u>18,747</u> | <u>18,026</u> |
| Current liabilities | | | |
| Loans and borrowings | 7 | 71,607 | 80,478 |
| Contract liabilities | | 1,334 | 232 |
| Trade and other payables | | 74,025 | 99,209 |
| Provisions | | 8,252 | 7,614 |
| Current tax payable | | 529 | 721 |
| | | <u>155,747</u> | <u>188,254</u> |
| Lease liabilities directly associated with the assets held for sale | 5 | – | 6,682 |
| | | <u>155,747</u> | <u>194,936</u> |
| Total liabilities | | <u>174,494</u> | <u>212,962</u> |
| Total equity and liabilities | | <u><u>312,949</u></u> | <u><u>364,580</u></u> |

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

Condensed consolidated statement of profit or loss
For the six months ended 30 September 2020

| | | Six months ended | |
|--|-------------|-------------------------|---------------|
| | | 30 September | |
| | Note | 2020 | 2019 |
| | | \$'000 | \$'000 |
| Revenue | 8 | 52,811 | 170,427 |
| Cost of sales | | (59,263) | (149,973) |
| Gross (loss)/profit | | (6,452) | 20,454 |
| Other income | | 3,314 | 1,240 |
| Distribution expenses | | (274) | (348) |
| Administrative expenses | | (9,006) | (14,059) |
| Other operating expenses | | (363) | (1,102) |
| Impairment loss recognised/(reversed) on trade and other receivables and contract assets | | 39 | (344) |
| Results from operating activities | | (12,742) | 5,841 |
| Finance income | | 878 | 691 |
| Finance expenses | | (1,754) | (2,539) |
| Net finance expenses | | (876) | (1,848) |
| Share of loss of associates (net of tax) | | (98) | (82) |
| (Loss)/Profit before tax | | (13,716) | 3,911 |
| Tax expense | | (367) | (659) |
| (Loss)/Profit for the period | 9 | (14,083) | 3,252 |
| Attributable to: | | | |
| Owners of the Company | | (13,223) | 2,181 |
| Non-controlling interests | | (860) | 1,071 |
| (Loss)/Profit for the period | | (14,083) | 3,252 |
| (Loss)/Profit per share | | | |
| Basic (loss)/earnings per share (cents) | 10 | (0.50) | 0.09 |
| Diluted (loss)/earnings per share (cents) | 10 | (0.50) | 0.07 |

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 2020

| | Six months ended | |
|--|-------------------------|---------------|
| | 30 September | |
| | 2020 | 2019 |
| | \$'000 | \$'000 |
| (Loss)/Profit for the period | (14,083) | 3,252 |
| Other comprehensive (expense)/income | | |
| Items that are or may be reclassified subsequently to profit or loss: | | |
| Foreign currency translation differences | | |
| - foreign operations | (50) | 179 |
| Other comprehensive (expense)/income for the period, net of tax | (50) | 179 |
| Total comprehensive (expense)/income for the period | (14,133) | 3,431 |
| Total comprehensive (expense)/income attributable to: | | |
| Owners of the Company | (13,236) | 2,174 |
| Non-controlling interests | (897) | 1,257 |
| Total comprehensive (expense)/income for the period | (14,133) | 3,431 |

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 2020

| 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 (expense)/income for the period | | | | | | | | | | | |
| Profit for the period | – | – | – | – | – | – | – | 2,181 | 2,181 | 1,071 | 3,252 |
| Other comprehensive (expense)/income | | | | | | | | | | | |
| Foreign currency translation differences | – | – | – | – | – | (7) | – | – | (7) | 186 | 179 |
| Transfer of revaluation surplus of property, plant and equipment | – | – | – | – | – | – | (159) | 159 | – | – | – |
| Total other comprehensive (expense)/income | – | – | – | – | – | (7) | (159) | 159 | (7) | 186 | 179 |
| Total comprehensive (expense)/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 changes in equity (continued)
For the six months ended 30 September 2020

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

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

Condensed consolidated statement of cash flows
For the six months ended 30 September 2020

| | Six months ended | |
|---|-------------------------|----------------------|
| | 30 September | |
| | 2020 | 2019 |
| | \$'000 | \$'000 |
| Cash flows from operating activities | | |
| (Loss)/Profit for the period | (14,083) | 3,252 |
| Adjustments for: | | |
| Bad debts written back | (90) | — |
| Change in fair value of other investment | — | 240 |
| Depreciation of: | | |
| - property, plant and equipment | 10,255 | 13,510 |
| - right-of-use assets | 2,722 | 1,335 |
| Gain on dilution of interest in a subsidiary | (15) | — |
| Gain on disposal of: | | |
| - property, plant and equipment | (250) | (638) |
| - assets held for sale | (2,779) | (259) |
| Impairment losses recognised/(reversed) on: | | |
| - property, plant and equipment | 60 | — |
| - trade and other receivables and contract assets | (39) | 344 |
| Inventories written down | 272 | 768 |
| Inventories written off | — | 52 |
| Net finance expenses | 876 | 1,848 |
| Property, plant and equipment written off | — | 28 |
| Provision for onerous contracts | — | 988 |
| Provision for rectification costs | 936 | 2,449 |
| Share of loss of associates (net of tax) | 98 | 82 |
| Tax expense | 367 | 659 |
| | <u>(1,670)</u> | <u>24,658</u> |
| Changes in: | | |
| - Inventories | (568) | (550) |
| - Contract assets | 16,066 | 8,832 |
| - Trade and other receivables | 17,769 | (18,059) |
| - Contract liabilities | 1,102 | (1,222) |
| - Trade and other payables | (26,728) | 1,259 |
| - Provision for onerous contracts | — | (12) |
| - Provision for rectification costs | 638 | 1,420 |
| Cash generated from operations | <u>6,609</u> | <u>16,326</u> |
| Taxes paid | (345) | (381) |
| Interest received | <u>69</u> | <u>102</u> |
| Net cash generated from operating activities | <u>6,333</u> | <u>16,047</u> |

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 2020

| | Six months ended | |
|--|-------------------------|-----------------|
| | 30 September | |
| | 2020 | 2019 |
| | \$'000 | \$'000 |
| Cash flows from investing activities | | |
| Proceeds from disposal of: | | |
| - property, plant and equipment | 575 | 1,444 |
| - assets held for sale | 17,130 | 915 |
| Acquisition of: | | |
| - property, plant and equipment | (1,918) | (4,975) |
| - investment property | (90) | – |
| Additional injection in an associate | (3,800) | – |
| Net cash generated from/(used in) investing activities | 11,897 | (2,616) |
| Cash flows from financing activities | | |
| Interest paid | (1,793) | (2,491) |
| Dividends paid to non-controlling interests of a subsidiary | (150) | – |
| Proceeds from: | | |
| - bank loans | 23,207 | 15,540 |
| - refinancing of lease liabilities | – | 1,071 |
| - bills payable | 30,358 | 87,099 |
| - issue of shares from exercise of warrants | 1,120 | 671 |
| Repayment of: | | |
| - bank loans | (17,799) | (15,305) |
| - bills payable | (38,855) | (92,483) |
| - lease liabilities | (7,528) | (6,619) |
| Net cash used in financing activities | (11,440) | (12,517) |
| Net increase in cash and cash equivalents | 6,790 | 914 |
| Cash and cash equivalents at beginning of period | 14,302 | 7,193 |
| Effect of exchange rate changes on balances held in foreign currencies | (98) | 17 |
| Cash and cash equivalents at end of period | 20,994 | 8,124 |
| Comprising: | | |
| Cash and cash equivalents | 26,135 | 16,447 |
| Bank overdrafts | (4,991) | (8,323) |
| Fixed deposit pledged | (150) | – |
| Cash and cash equivalents in the consolidated statement of cash flows | 20,994 | 8,124 |

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 2020

During the financial period, the Group acquired property, plant and equipment with an aggregate cost of \$1,317,000 (30 September 2019: \$5,979,000) of which \$Nil (30 September 2019: \$740,000) were acquired by means of hire purchase arrangements. Cash payments of \$1,918,000 (30 September 2019: \$4,975,000) were made to purchase property, plant and equipment, out of which \$881,000 (30 September 2019: \$883,000) 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 \$280,000 (30 September 2019: \$1,147,000).

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 5 November 2020.

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 2020, 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 2020.

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 2020.

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 2020, which were prepared in accordance with SFRS(I)s.

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

1.2 Use of judgements and estimates

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2020 (see note 15).

2 Seasonal operations

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

However, when the World Health Organisation recognised the spread of COVID-19 as a pandemic in March 2020, many countries responded with containment measures of varying degrees in the bid to curb the spread. This led to reduced economic activities, including the halting of construction activities in countries which the Group operates in. Resumption of construction activities as the economies reopen have also been slow. As a result, the Group incurred losses for the financial period ended 30 September 2020.

3 Property, plant and equipment

During the six months ended 30 September 2020, the Group acquired assets amounting to \$1,317,000 (31 March 2020: \$12,661,000) and disposed of assets amounting to \$325,000 (31 March 2020: \$4,126,000).

4 Investment in associates

As at 31 March 2020, the Group owned 100% equity interest in 2TPC Pte. Ltd. ("2TPC"), through its wholly-owned subsidiary, 2TPC Investments Pte. Ltd. ("2TPCI").

On 6 May 2020, the Group entered into a conditional subscription agreement ("the Subscription Agreement") with several parties (collectively, the "Subscribers") to jointly undertake a proposed redevelopment of a leasehold land and property ("the Property") currently classified as held for sale.

On the same day, pursuant to the Subscription Agreement, 2TPCI increased its share capital from \$2 to \$100 by way of issuance of 98 new ordinary shares to the Subscribers, of which only 49 were subscribed by the Group for a cash consideration of \$49. As a result, the Group's effective equity interest in 2TPCI was diluted from 100% to 51%.

On 18 May 2020, pursuant to the Subscription Agreement, 2TPCI issued 19,000,100 new preference shares at \$1 each to the Subscribers, of which only 3,800,020, which makes up 20% of preference shares, were subscribed by the Group. The further dilution in shareholdings, together with the terms in the Shareholders Agreement signed on the same day, led to the Group's loss of control over 2TPCI.

Following the dilution in shareholdings and terms and conditions of the Shareholders Agreement signed among the Subscribers on 18 May 2020, the Group reclassified the investment in 2TPCI from an investment in a subsidiary to an investment in an associate.

5 Assets held for sale

On 5 May 2020, the Group transferred the Property from L&M Foundation Specialist Pte. Ltd., a wholly-owned subsidiary, to 2TPC. The Group completed the disposal of the Property upon the loss of control over 2TPCI on 18 May 2020 (see note 4). A gain on disposal of \$2,818,000 was recognised under “Other income” in the profit or loss.

6 Share capital

| | 30 September 2020 | | 31 March 2020 | |
|---|----------------------|---------------|----------------------|---------------|
| | No. of shares | \$'000 | No. of shares | \$'000 |
| Issued and fully-paid ordinary shares with no par value: | | | | |
| At 1 April | 2,618,310,336 | 84,389 | 2,342,882,546 | 81,635 |
| Exercise of warrants | 111,956,265 | 1,120 | 275,427,790 | 2,754 |
| At 30 September/31 March | <u>2,730,266,601</u> | <u>85,509</u> | <u>2,618,310,336</u> | <u>84,389</u> |

There were no share buybacks during the financial period. As at 30 September 2020, the Company held 20,520,000 (31 March 2020: 20,520,000) of its own uncanceled shares.

During the six months ended 30 September 2020, 111,956,265 (31 March 2020: 275,427,790) shares were issued upon exercise of 111,956,265 (31 March 2020: 275,427,790) warrants at \$0.01 each, pursuant to the Rights cum Warrants Issue dated 30 December 2015.

As at 30 September 2020, there were outstanding warrants of 919,424,570 (31 March 2020: 1,031,380,835) 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.

7 Loans and borrowings

| | 30 September 2020 \$'000 | 31 March 2020 \$'000 |
|-------------------------------------|---|-------------------------------------|
| Bank overdrafts | 4,991 | 4,727 |
| Bills payable | 16,585 | 25,084 |
| Secured bank loans | 6,089 | 8,636 |
| Unsecured bank loans | 37,980 | 30,046 |
| Lease liabilities | 22,163 | 27,775 |
| | <u>87,808</u> | <u>96,268</u> |
| Amount repayable: | | |
| - in one year or less, or on demand | 71,607 | 80,478 |
| - after one year | 16,201 | 15,790 |
| | <u>87,808</u> | <u>96,268</u> |

The loans and borrowings are guaranteed by the Company, out of which \$10,353,000 (31 March 2020: \$16,862,000) 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 property, and plant and machinery with carrying amounts of \$8,906,000 (31 March 2020: \$9,200,000) and \$599,000 (31 March 2020: \$624,000) respectively;
- (b) a charge over the Group's leasehold land and property classified as asset held for sale with a carrying amount of \$Nil (31 March 2020: \$13,135,000);
- (c) the Group's plant and equipment acquired under hire purchase arrangements with a carrying amount of \$30,574,000 (31 March 2020: \$37,014,000);
- (d) the Group's inventories acquired under hire purchase arrangements with a carrying amount of \$2,051,000 (31 March 2020: \$931,000); and
- (e) a charge over the Group's fixed deposit amounting to \$150,000 (31 March 2020: \$150,000).

8 Revenue

| | Six months ended 30 September 2020 \$'000 | 2019 \$'000 |
|---------------------------------------|--|------------------------|
| Revenue from contracts with customers | 49,209 | 163,018 |
| Rental income | 3,602 | 7,409 |
| | <u>52,811</u> | <u>170,427</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 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 11).

| | 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 | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Geographical regions | | | | | | |
| Singapore | 36,022 | 130,960 | 3,877 | 10,086 | 39,899 | 141,046 |
| Malaysia | 8,144 | 17,090 | 213 | 1,495 | 8,357 | 18,585 |
| Thailand | — | — | 340 | 1,060 | 340 | 1,060 |
| India | — | — | 452 | 1,200 | 452 | 1,200 |
| Other regions | — | — | 161 | 1,127 | 161 | 1,127 |
| | <u>44,166</u> | <u>148,050</u> | <u>5,043</u> | <u>14,968</u> | <u>49,209</u> | <u>163,018</u> |
| Major revenue streams | | | | | | |
| Construction contracts | 44,041 | 147,765 | — | — | 44,041 | 147,765 |
| Trading of building products and plant and equipment | 125 | 285 | 5,043 | 14,968 | 5,168 | 15,253 |
| | <u>44,166</u> | <u>148,050</u> | <u>5,043</u> | <u>14,968</u> | <u>49,209</u> | <u>163,018</u> |
| Timing of revenue recognition | | | | | | |
| Products transferred at a point in time | 125 | 285 | 4,879 | 14,591 | 5,004 | 14,876 |
| Products and services transferred over time | 44,041 | 147,765 | 164 | 377 | 44,205 | 148,142 |
| | <u>44,166</u> | <u>148,050</u> | <u>5,043</u> | <u>14,968</u> | <u>49,209</u> | <u>163,018</u> |

9 (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 | |
| | 2020 | 2019 |
| | \$'000 | \$'000 |
| Bad debts written back | (90) | — |
| Change in fair value of other investment | — | 240 |
| Depreciation of: | | |
| - property, plant and equipment | 10,255 | 13,510 |
| - right-of-use assets | 2,722 | 1,335 |
| Expenses relating to short-term leases | 4,372 | 9,859 |
| Foreign exchange loss/(gain) | 12 | (229) |
| Gain on dilution of interest in a subsidiary | (15) | — |
| Gain on disposal of: | | |
| - property, plant and equipment | (250) | (638) |
| - assets held for sale | (2,779) | (259) |
| Government grants deducted from: | | |
| - cost of sales | (6,406) | — |
| - administrative expenses | (2,566) | (15) |
| Impairment losses recognised/(reversed) on: | | |
| - property, plant and equipment | 60 | — |
| - trade and other receivables and contract assets | (39) | 344 |
| Interest on lease liabilities | 201 | 264 |
| Inventories written down | 272 | 768 |
| Inventories written off | — | 52 |
| Property, plant and equipment written off | — | 28 |
| Provision for onerous contracts | — | 988 |
| Provision for rectification costs | 936 | 2,449 |

10 (Loss)/Earnings per share

(a) Basic (loss)/earnings per share

| | Six months ended | |
|---|-------------------------|---------------|
| | 30 September | |
| | 2020 | 2019 |
| | \$'000 | \$'000 |
| Basic (loss)/earnings per share is based on: | | |
| Net (loss)/profit attributable to ordinary shareholders | (13,223) | 2,181 |

| | Six months ended | |
|-----------------------------------|-------------------------|-------------|
| | 30 September | |
| | 2020 | 2019 |
| No. of shares | No. of shares | |
| '000 | '000 | |
| Weighted average number of shares | 2,631,857 | 2,332,838 |

(b) Diluted (loss)/earnings per share

| | Six months ended 30 September | |
|---|--|---------------|
| | 2020 | 2019 |
| | \$'000 | \$'000 |
| Diluted (loss)/earnings per share is based on: | | |
| Net (loss)/profit attributable to ordinary shareholders | (13,223) | 2,181 |

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

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

| | Six months ended 30 September | |
|-----------------------------------|--|-------------------------------|
| | 2020 | 2019 |
| | No. of shares '000 | No. of shares '000 |
| Weighted average number of shares | 2,631,857* | 2,975,558 |

- * 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.

11 Segmental information

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

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

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

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

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

Information about reportable segments

| | Foundation and geotechnical engineering | | Sales and lease of equipment | | Total reportable segments | |
|--|--|---------------|---|---------------|--------------------------------------|---------------|
| | Six months ended | | Six months ended | | Six months ended | |
| | 30 September | | 30 September | | 30 September | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| External revenue | 44,193 | 148,307 | 8,618 | 22,120 | 52,811 | 170,427 |
| Inter-segment revenue | 5,994 | 21,351 | 5,290 | 12,058 | 11,284 | 33,409 |
| Reportable segment (loss)/profit before tax | (11,687) | 1,244 | (1,630) | 3,243 | (13,317) | 4,487 |

| | Foundation and geotechnical engineering | | Sales and lease of equipment | | Total reportable segments | |
|-----------------------------------|--|---------------|---|---------------|--------------------------------------|---------------|
| | Six months ended | | Six months ended | | Six months ended | |
| | 30 | 31 | 30 | 31 | 30 | 31 |
| | September | March | September | March | September | March |
| | 2020 | 2020 | 2020 | 2020 | 2020 | 2020 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Reportable segment assets | 182,303 | 235,533 | 105,739 | 114,509 | 288,042 | 350,042 |
| Reportable segment liabilities | 107,113 | 142,172 | 54,626 | 60,754 | 161,739 | 202,926 |

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

| | Six months ended | |
|--|-------------------------|-----------------|
| | 30 September | |
| | 2020 | 2019 |
| | \$'000 | \$'000 |
| Revenue | | |
| Total revenue for reportable segments | 64,095 | 203,836 |
| Elimination of inter-segment revenue | (11,284) | (33,409) |
| Consolidated revenue | <u>52,811</u> | <u>170,427</u> |
| Profit or loss | | |
| Total (loss)/profit before tax for reportable segments | (13,317) | 4,487 |
| Total profit/(loss) before tax for other segments | 45 | (181) |
| | <u>(13,272)</u> | <u>4,306</u> |
| Elimination of inter-segment transactions | 1,740 | 2,382 |
| Unallocated amounts: | | |
| - other corporate expenses | (2,086) | (2,695) |
| Share of loss of associates | (98) | (82) |
| Consolidated (loss)/profit before tax | <u>(13,716)</u> | <u>3,911</u> |
| | | |
| | 30 September | 31 March |
| | 2020 | 2020 |
| | \$'000 | \$'000 |
| Assets | | |
| Total assets for reportable segments | 288,042 | 350,042 |
| Total assets for other segments | 15,616 | 13,314 |
| | <u>303,658</u> | <u>363,356</u> |
| Investment in associates | 3,527 | 531 |
| Deferred tax assets | 43 | 89 |
| Tax recoverable | 383 | 128 |
| Other unallocated amounts | 5,338 | 476 |
| Consolidated total assets | <u>312,949</u> | <u>364,580</u> |

| | 30 September 2020 \$'000 | 31 March 2020 \$'000 |
|---|---|-------------------------------------|
| Liabilities | | |
| Total liabilities for reportable segments | 161,739 | 202,926 |
| Total liabilities for other segments | 4,920 | 5,120 |
| | <hr/> 166,659 | <hr/> 208,046 |
| Deferred tax liabilities | 2,546 | 2,236 |
| Current tax payable | 529 | 721 |
| Other unallocated amounts | 4,760 | 1,959 |
| Consolidated total liabilities | <hr/> 174,494 | <hr/> 212,962 |

12 Dividends

No interim dividends were paid by the Company in respect of the six months ended 30 September 2020 and 2019.

13 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 2020 \$'000 | 31 March 2020 \$'000 |
|--|---|-------------------------------------|
| Capital commitment in respect of: | | |
| - acquisition of property, plant and equipment | 72 | 644 |
| | <hr/> | <hr/> |

14 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 | |
|--|--|---------------|
| | 2020 | 2019 |
| | \$'000 | \$'000 |
| Short-term employee benefits | 2,637 | 2,701 |
| Post-employment benefits (including contributions to defined contribution plans) | 118 | 109 |
| | <u>2,755</u> | <u>2,810</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 | |
|-------------------|--|---------------|
| | 2020 | 2019 |
| | \$'000 | \$'000 |
| Professional fees | 15 | 15 |

Other related party transactions

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

| | Six months ended 30 September | |
|--|--|---------------|
| | 2020 | 2019 |
| | \$'000 | \$'000 |
| Companies in which a substantial shareholder of the Group has substantial financial interests | | |
| Revenue from foundation engineering works | 47 | 6 |
| Revenue from rental and service income | 82 | 29 |
| Disposal of plant and equipment | 37 | — |
| Expenses relating to short-term leases | (1,114) | (1,675) |
| Purchase of plant and equipment | (20) | (55) |
| Upkeep of machinery and equipment expenses | <u>(40)</u> | <u>(208)</u> |

15 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 2020.

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.

16 Fair value of financial instruments

Fair values versus carrying amounts

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

| | Carrying amount | | | | | Fair value | | | |
|---|---|-----------------------------|--|---|---------------------------------------|-------------------|-------------------|-------------------|-----------------|
| | Mandatorily at FVTPL – others \$'000 | Amortised cost \$'000 | FVOCI – equity instruments \$'000 | Other financial liabilities \$'000 | Total carrying amount \$'000 | Level 1 \$'000 | Level 2 \$'000 | Level 3 \$'000 | Total \$'000 |
| 30 September 2020 | | | | | | | | | |
| Financial assets measured at fair value | | | | | | | | | |
| Equity investments – at FVOCI | – | – | 165 | – | 165 | – | – | 165 | 165 |
| Debt investments – mandatorily at FVTPL | – | – | – | – | – | – | – | – | – |
| | – | – | 165 | – | 165 | | | | |
| Financial assets not measured at fair value | | | | | | | | | |
| Trade and other receivables* | – | 50,013 | – | – | 50,013 | – | 50,013 | – | 50,013 |
| Cash and cash equivalents | – | 26,135 | – | – | 26,135 | | | | |
| | – | 76,148 | – | – | 76,148 | | | | |
| Financial liabilities not measured at fair value | | | | | | | | | |
| Bank overdrafts | – | – | – | (4,991) | (4,991) | | | | |
| Bills payable | – | – | – | (16,585) | (16,585) | | | | |
| Secured bank loans | – | – | – | (6,089) | (6,089) | | | | |
| Unsecured bank loans | – | – | – | (37,980) | (37,980) | | | | |
| Trade and other payables** | – | – | – | (71,952) | (71,952) | | | | |
| | – | – | – | (137,597) | (137,597) | | | | |

* Excludes prepayments

** Excludes deposits received and deferred grant income

| | Carrying amount | | | | | Fair value | | | |
|---|---|-----------------------------|--|---|---------------------------------------|-------------------|-------------------|-------------------|-----------------|
| | Mandatorily at FVTPL – others \$'000 | Amortised cost \$'000 | FVOCI – equity instruments \$'000 | Other financial liabilities \$'000 | Total carrying amount \$'000 | Level 1 \$'000 | Level 2 \$'000 | Level 3 \$'000 | Total \$'000 |
| 31 March 2020 | | | | | | | | | |
| Financial assets measured at fair value | | | | | | | | | |
| Equity investments – at FVOCI | – | – | 165 | – | 165 | – | – | 165 | 165 |
| Debt investments – mandatorily at FVTPL | – | – | – | – | – | – | – | – | – |
| | – | – | 165 | – | 165 | | | | |
| Financial assets not measured at fair value | | | | | | | | | |
| Trade and other receivables* | – | 70,892 | – | – | 70,892 | – | 70,892 | – | 70,892 |
| Cash and cash equivalents | – | 19,179 | – | – | 19,179 | | | | |
| | – | 90,071 | – | – | 90,071 | | | | |
| Financial liabilities not measured at fair value | | | | | | | | | |
| Bank overdrafts | – | – | – | (4,727) | (4,727) | | | | |
| Bills payable | – | – | – | (25,084) | (25,084) | | | | |
| Secured bank loans | – | – | – | (8,636) | (8,636) | | | | |
| Unsecured bank loans | – | – | – | (30,046) | (30,046) | | | | |
| Trade and other payables** | – | – | – | (96,127) | (96,127) | | | | |
| | – | – | – | (164,620) | (164,620) | | | | |

* Excludes prepayments

** Excludes deposits received and deferred grant income

Measurement of fair values

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

Debt investments and equity investments

In view of the continued losses and the lack of a viable business plan and future expected cash flows, the fair value of the debt investment is determined using the net asset value of the investment. As the investment is in a net liability position, the fair value of the debt investment as at 31 March 2020 and 30 September 2020 was determined to be \$Nil. The estimated fair value would increase if the net asset value of the investee was higher.

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

Non-current trade and other receivables

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

Floating interest rate bank loans

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

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 2020 % | 31 March 2020 % |
|---|------------------------------------|--------------------------------|
| Non-current trade and other receivables and non-current contract assets | 4.88 | 4.88 |

Transfers between Levels 1, 2 and 3

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

Level 3 fair values

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

| Group | Equity investments - FVOCI \$'000 | Debt investments – mandatorily at FVTPL \$'000 |
|---------------------------------------|--|---|
| At 1 April 2019 | 166 | 240 |
| Change in fair value | – | (240) |
| Effect of movements in exchange rates | (1) | – |
| At 30 September 2019 | <u>165</u> | <u>–</u> |
| At 1 April 2020/30 September 2020 | <u><u>165</u></u> | <u><u>–</u></u> |

17 Adoption of new standards

Applicable to financial statements for the year 2021 and thereafter

The following new SFRS(I)s, amendments to and interpretations of SFRS(I)s are effective for annual periods beginning after 1 April 2020:

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
- *Interest Rate Benchmark Reform* (Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7)

Applicable to 2022 financial statements

- Covid-19-Related Rent Concessions (Amendments to SFRS(I) 16)
- Classification of Liabilities as Current or Non-current (Amendments to SFRS(I) 1-1)

Applicable to 2024 financial statements

- SFRS(I) 17 *Insurance Contracts*

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