



CSC HOLDINGS LIMITED

(Company Registration Number: 199707845E)

Condensed Interim Financial Statements

For the 6 Months Ended 30 September 2023

(For the Financial Year Ending 31 March 2024)

Table of Contents

Page

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS	3
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	4
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION.....	5
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY.....	7
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS	10
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS.....	12
1. CORPORATE INFORMATION	12
2. BASIS OF PREPARATION.....	12
3. SEASONAL OPERATIONS	13
4. REVENUE AND SEGMENT INFORMATION	13
5. LOSS BEFORE TAX	17
6. TAX (CREDIT)/EXPENSE.....	18
7. LOSS PER SHARE.....	18
8. PROPERTY, PLANT AND EQUIPMENT	19
9. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES	19
10. INVESTMENT PROPERTY	19
11. INVENTORIES.....	20
12. SHARE CAPITAL.....	20
13. LOANS AND BORROWINGS.....	21
14. DIVIDENDS	21
15. NET ASSET VALUE.....	22
16. COMMITMENTS	22
17. RELATED PARTIES	22
18. FAIR VALUE OF FINANCIAL INSTRUMENTS.....	23
OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2	27
1. REVIEW OF THE PERFORMANCE OF THE GROUP	27
2. OUTLOOK.....	34
3. INTERESTED PERSON TRANSACTIONS	35
4. AUDIT / REVIEW	35
5. VARIANCE FROM PROSPECT STATEMENT	35
6. DIVIDEND.....	35
7. CONFIRMATION	36

Condensed Interim Consolidated Statement of Profit or Loss
For the 6 Months ended 30 September 2023

	Note	Group		Change
		6 months ended		
		30-Sep-23	30-Sep-22	
		\$'000	\$'000	%
Revenue	4a	146,426	118,013	24.1
Cost of sales	5a	(133,467)	(118,536)	12.6
Gross profit/(loss)		12,959	(523)	N.M.
Other income	5b	675	1,047	(35.5)
Operating expenses				
- <i>Distribution expenses</i>		(323)	(609)	(47.0)
- <i>Administrative expenses</i>	5c	(14,135)	(14,744)	(4.1)
- <i>Other operating (expenses)/income</i>	5d	(131)	15	N.M.
		(14,589)	(15,338)	(4.9)
Results from operating activities		(955)	(14,814)	(93.6)
Net finance expenses				
- <i>Finance income</i>		370	475	(22.1)
- <i>Finance expenses</i>		(3,501)	(2,573)	36.1
		(3,131)	(2,098)	49.2
Share of profit of associates (net of tax)		134	158	(15.2)
Loss before tax		(3,952)	(16,754)	(76.4)
Tax credit/(expense)	6	212	(109)	N.M.
Loss for the period		(3,740)	(16,863)	(77.8)
Attributable to:				
Owners of the Company		(2,963)	(16,721)	(82.3)
Non-controlling interests		(777)	(142)	>100.0
Loss for the period		(3,740)	(16,863)	(77.8)

Gross profit/(loss) margin

8.9%

-0.4%

Net loss margin

-2.6%

-14.3%

Condensed Interim Consolidated Statement of Comprehensive Income

For the 6 Months ended 30 September 2023

	Group		
	6 months ended		Change
	30-Sep-23	30-Sep-22	
	\$'000	\$'000	%
Loss for the period	(3,740)	(16,863)	(77.8)
Other comprehensive income/(expense) Item that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences - foreign operations	208	(84)	N.M.
Other comprehensive income/(expense) for the period, net of tax	208	(84)	N.M.
Total comprehensive expense for the period	(3,532)	(16,947)	(79.2)
Attributable to:			
Owners of the Company	(2,743)	(16,705)	(83.6)
Non-controlling interests	(789)	(242)	>100.0
Total comprehensive expense for the period	(3,532)	(16,947)	(79.2)

Condensed Interim Statement of Financial Position
As at 30 September 2023

DESCRIPTION	Note	Group		Company	
		30-Sep-23	31-Mar-23	30-Sep-23	31-Mar-23
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment	8	120,692	124,723	-	-
Right-of-use assets	9	39,488	41,227	35,417	36,620
Goodwill		552	552	-	-
Investment property	10	242	115	-	-
Investments in:					
- subsidiaries		-	-	97,904	97,904
- associates		8,303	8,175	-	-
Contract assets		1,417	618	-	-
Trade and other receivables		8,542	12,619	9,944	9,222
Deferred tax assets		37	37	755	402
		179,273	188,066	144,020	144,148
Current assets					
Inventories	11	28,853	24,519	-	-
Contract assets		63,515	66,721	-	-
Trade and other receivables		89,992	79,339	21,852	19,425
Tax recoverable		413	416	-	-
Cash and cash equivalents		14,767	22,804	315	711
		197,540	193,799	22,167	20,136
Assets held for sale		599	755	-	-
		198,139	194,554	22,167	20,136
Total assets		377,412	382,620	166,187	164,284

Condensed Interim Statement of Financial Position (Cont'd)
As at 30 September 2023

DESCRIPTION	Note	Group		Company	
		30-Sep-23	31-Mar-23	30-Sep-23	31-Mar-23
		\$'000	\$'000	\$'000	\$'000
Equity attributable to owners of the Company					
Share capital	12	94,089	94,089	94,089	94,089
Reserves		2,211	4,963	14,921	14,900
		96,300	99,052	109,010	108,989
Non-controlling interests		24,514	25,303	-	-
Total equity		120,814	124,355	109,010	108,989
Non-current liabilities					
Loans and borrowings	13	18,923	20,302	517	900
Lease liabilities *	9	37,842	39,261	35,752	36,634
Trade and other payables		5,734	10,875	-	-
Provisions		60	60	60	60
Deferred tax liabilities		1,095	1,729	-	-
		63,654	72,227	36,329	37,594
Current liabilities					
Loans and borrowings	13	75,581	73,362	913	755
Lease liabilities *	9	3,847	3,768	1,741	1,687
Contract liabilities		683	480	-	-
Trade and other payables		108,817	103,724	18,194	15,259
Provisions		3,715	4,360	-	-
Current tax payable		301	344	-	-
		192,944	186,038	20,848	17,701
Total liabilities		256,598	258,265	57,177	55,295
Total equity and liabilities		377,412	382,620	166,187	164,284

* Relating to Right-of-use assets.

Condensed Interim Statements of Changes in Equity

For the 6 Months ended 30 September 2023

<u>Group</u>	Share capital	Capital reserve	Reserve for own shares	Reserve on consolidation	Foreign currency translation reserve	Revaluation reserve	Other reserve	Accumulated profits	Total attributable to owners of the Company	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 April 2022	94,089	17,798	(2,921)	116	(6,713)	2,249	(2,334)	22,771	125,055	25,703	150,758
Total comprehensive income/(expense) for the period											
Loss for the period	-	-	-	-	-	-	-	(16,721)	(16,721)	(142)	(16,863)
Other comprehensive income/(expense)											
Foreign currency translation differences	-	-	-	-	10	6	-	-	16	(100)	(84)
Transfer of revaluation surplus of property, plant and equipment	-	-	-	-	-	(89)	-	89	-	-	-
Total other comprehensive income/(expense)	-	-	-	-	10	(83)	-	89	16	(100)	(84)
Total comprehensive income/(expense) for the period	-	-	-	-	10	(83)	-	(16,632)	(16,705)	(242)	(16,947)
Transactions with owners of the Company, recorded directly in equity											
Purchase of treasury shares	-	-	(97)	-	-	-	-	-	(97)	-	(97)
Total transactions with owners of the Company	-	-	(97)	-	-	-	-	-	(97)	-	(97)
At 30 September 2022	94,089	17,798	(3,018)	116	(6,703)	2,166	(2,334)	6,139	108,253	25,461	133,714

Condensed Interim Statements of Changes in Equity (Cont'd)
For the 6 Months ended 30 September 2023

<u>Group</u>	Share capital	Capital reserve	Reserve for own shares	Reserve on consolidation	Foreign currency translation reserve	Revaluation reserve	Other reserve	Accumulated losses	Total attributable to owners of the Company	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 April 2023	94,089	17,798	(3,049)	116	(6,511)	2,675	(2,334)	(3,732)	99,052	25,303	124,355
Total comprehensive income/(expense) for the period											
Loss for the period	-	-	-	-	-	-	-	(2,963)	(2,963)	(777)	(3,740)
Other comprehensive income/(expense)											
Foreign currency translation differences	-	-	-	-	215	5	-	-	220	(12)	208
Transfer of revaluation surplus of property, plant and equipment	-	-	-	-	-	(171)	-	171	-	-	-
Total other comprehensive income/(expense)	-	-	-	-	215	(166)	-	171	220	(12)	208
Total comprehensive income/(expense) for the period	-	-	-	-	215	(166)	-	(2,792)	(2,743)	(789)	(3,532)
Transactions with owners of the Company, recorded directly in equity											
Contributions by and distributions to owners											
Purchase of treasury shares	-	-	(9)	-	-	-	-	-	(9)	-	(9)
Total transactions with owners of the Company	-	-	(9)	-	-	-	-	-	(9)	-	(9)
At 30 September 2023	94,089	17,798	(3,058)	116	(6,296)	2,509	(2,334)	(6,524)	96,300	24,514	120,814

Condensed Interim Statements of Changes in Equity (Cont'd)
For the 6 Months ended 30 September 2023

<u>Company</u>	<u>Share capital</u>	<u>Capital reserve</u>	<u>Reserve for own shares</u>	<u>Accumulated profits</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 April 2022	94,089	17,798	(2,921)	2,044	111,010
Total comprehensive expense for the period	-	-	-	(1,397)	(1,397)
Transactions with owners of the Company, recorded directly in equity					
Purchase of treasury shares	-	-	(97)	-	(97)
Total transactions with owners of the Company	-	-	(97)	-	(97)
At 30 September 2022	94,089	17,798	(3,018)	647	109,516
At 1 April 2023	94,089	17,798	(3,049)	151	108,989
Total comprehensive income for the period	-	-	-	30	30
Transactions with owners of the Company, recorded directly in equity					
Purchase of treasury shares	-	-	(9)	-	(9)
Total transactions with owners of the Company	-	-	(9)	-	(9)
At 30 September 2023	94,089	17,798	(3,058)	181	109,010

Note:

Capital reserve

Capital Reduction Reserve

<u>Group</u>	<u>Company</u>
\$'000	\$'000
17,798	17,798

The Capital Reduction Reserve shall not be treated or used by the Company as a distributable reserve for dividend purposes in accordance with Regulation 142 of the Constitution of the Company and the Companies Act 1967 of Singapore.

Condensed Interim Consolidated Statement of Cash Flows

For the 6 Months ended 30 September 2023

	6 months ended	
	30-Sep-23	30-Sep-22
	\$'000	\$'000
Cash flows from operating activities		
Loss for the period	(3,740)	(16,863)
Adjustments for:		
Bad debts written back	(63)	(3)
Depreciation of:		
- property, plant and equipment	8,880	10,557
- right-of-use assets	2,453	2,768
Gain on disposal of:		
- property, plant and equipment	(395)	(536)
- assets held for sale	(77)	-
Impairment losses recognised/(reversed) on:		
- property, plant and equipment	60	(40)
- trade and other receivables and contract assets	(41)	(109)
Inventories written down	84	77
Loss/(Gain) on termination of lease liabilities	3	(14)
Net finance expenses	3,131	2,098
Provisions (reversed)/made for:		
- onerous contracts	(22)	-
- rectification costs	414	642
Share of profit of associates (net of tax)	(134)	(158)
Tax (credit)/expense	(212)	109
Operating activities before working capital changes	10,341	(1,472)
Changes in working capital:		
Inventories	(4,592)	(2,492)
Contract assets, trade and other receivables and tax recoverable	(3,915)	13,360
Contract liabilities, trade and other payables and provisions	5,286	(6,861)
Cash generated from operations	7,120	2,535
Taxes paid	(479)	(228)
Interest received	105	61
Net cash generated from operating activities	6,746	2,368

Condensed Interim Consolidated Statement of Cash Flows (Cont'd)
For the 6 months ended 30 September 2023

	6 months ended	
	<u>30-Sep-23</u>	<u>30-Sep-22</u>
	\$'000	\$'000
Cash flows from investing activities		
Acquisition of:		
- property, plant and equipment	(5,238)	(6,958)
- investment property	(132)	-
Proceeds from disposal of property, plant and equipment	496	2,761
Loans to associates	(785)	-
Net cash used in investing activities	<u>(5,659)</u>	<u>(4,197)</u>
Cash flows from financing activities		
Interest paid	(3,362)	(2,483)
Proceeds from:		
- bank loans and finance lease loans	9,198	4,675
- bills payable	97,229	72,150
Purchase of treasury shares	(9)	(97)
Repayment of:		
- bank loans	(11,701)	(9,311)
- bills payable	(87,809)	(69,401)
- finance lease liabilities	(6,730)	(6,967)
- lease liabilities *	(2,056)	(1,384)
Changes in fixed deposits pledged	1,332	-
Net cash used in financing activities	<u>(3,908)</u>	<u>(12,818)</u>
Net decrease in cash and cash equivalents	(2,821)	(14,647)
Cash and cash equivalents at 1 April	16,753	31,366
Effect of exchange rate changes on balances held in foreign currencies	47	(440)
Cash and cash equivalents at 30 September	<u>13,979</u>	<u>16,279</u>
Comprising:		
Cash and cash equivalents	14,767	19,938
Bank overdrafts	(638)	(3,059)
	<u>14,129</u>	<u>16,879</u>
Less:		
Fixed deposits pledged as security for bank facilities	(150)	(600)
Cash and cash equivalents in the condensed interim consolidated statement of cash flows	<u>13,979</u>	<u>16,279</u>

* Relating to Right-of-use assets.

Notes to the Condensed Interim Financial Statements

1. Corporate information

CSC Holdings Limited (“the Company”) is a company incorporated in the Republic of Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange.

The principal activity of the Company is that of investment holding. The Group is primarily involved in piling works, civil engineering works, trading and leasing of heavy foundation equipment, soil investigation and surveying works.

The condensed interim financial statements as at and for the 6 months ended 30 September 2023 relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in equity-accounted investees.

2. Basis of preparation

The condensed interim financial statements of the Group has been prepared in accordance with the Singapore Financial Reporting Standard (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. They do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 March 2023.

The condensed interim financial statements, which do not include the full disclosures of the type normally included in full annual financial statements prepared in accordance with the SFRS(I)s, are to be read in conjunction with the last audited financial statements for the year ended 31 March 2023.

Accounting policies and methods of computation used in the condensed interim financial statements are consistent with those applied in the financial statements for the year ended 31 March 2023, which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in note 2.1.

The condensed interim financial statements are presented in Singapore dollars, which is the Company’s functional currency. All financial information presented in Singapore Dollars have been rounded to the nearest thousand, unless otherwise stated.

2.1 Change in accounting policy

New and amended standards adopted by the Group

The Group adopted various new/revised SFRS(I)s, SFRS(I) interpretations and amendments to SFRS(I)s applicable for the financial year beginning on 1 April 2023. The application of these standards and interpretations did not have a material effect on the condensed interim financial statements.

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

2. Basis of preparation (cont'd)

2.2 Use of judgements and estimates

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2023.

3. Seasonal operations

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

4. Revenue and segment information

(a) Revenue

	6 months ended	
	30/09/2023	30/09/2022
	\$'000	\$'000
Revenue from contracts with customers	141,142	111,512
Rental income	5,284	6,501
	<u>146,426</u>	<u>118,013</u>

The Group's operations and main revenue streams are those described in the last annual consolidated financial statements for the year ended 31 March 2023.

Disaggregation of revenue

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

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

4. Revenue and segment information (cont'd)

(a) Revenue (cont'd)

	Foundation and Geotechnical Engineering		Sales of Equipment and Spare Parts		Total Reportable Segments	
	6 months ended		6 months ended		6 months ended	
	30/09/2023	30/09/2022	30/09/2023	30/09/2022	30/09/2023	30/09/2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Geographical regions						
Singapore	107,836	70,035	3,707	8,661	111,543	78,696
Malaysia	23,792	20,435	119	93	23,911	20,528
India	-	-	4,580	11,222	4,580	11,222
Thailand	-	-	243	292	243	292
Philippines	-	-	298	426	298	426
Hong Kong	-	-	63	176	63	176
China	-	-	41	154	41	154
Other regions	-	-	463	18	463	18
	131,628	90,470	9,514	21,042	141,142	111,512
Major revenue streams						
Construction contracts	131,521	90,286	-	-	131,521	90,286
Trading of plant and equipment	107	184	9,514	21,042	9,621	21,226
	131,628	90,470	9,514	21,042	141,142	111,512
Timing of revenue recognition						
Products transferred at a point in time	107	184	9,324	20,904	9,431	21,088
Products and services transferred over time	131,521	90,286	190	138	131,711	90,424
	131,628	90,470	9,514	21,042	141,142	111,512

(b) Segment information

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

Foundation and geotechnical engineering:

Includes civil engineering, piling, foundation and geotechnical engineering, soil investigation, land surveying and other related services

Sales and lease of equipment:

Sales and rental of foundation engineering equipment, machinery and spare parts, and other related services

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

4. Revenue and segment information (cont'd)

(b) Segment information (cont'd)

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

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

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

	Foundation and Geotechnical Engineering		Sales and Lease of Equipment		Total Reportable Segments	
	6 months ended		6 months ended		6 months ended	
	30/09/2023	30/09/2022	30/09/2023	30/09/2022	30/09/2023	30/09/2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from contracts with customers	131,628	90,470	9,514	21,042	141,142	111,512
Rental income	17	-	5,267	6,501	5,284	6,501
External revenue	131,645	90,470	14,781	27,543	146,426	118,013
Inter-segment revenue	12,817	6,368	2,660	2,410	15,477	8,778
Reportable segment loss before tax	(1,937)	(14,581)	(2,344)	(1,272)	(4,281)	(15,853)
Capital expenditure	5,334	5,222	87	3,947	5,421	9,169
	As at 30/09/2023	As at 31/03/2023	As at 30/09/2023	As at 31/03/2023	As at 30/09/2023	As at 31/03/2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Reportable segment assets	193,970	192,841	119,887	125,362	313,857	318,203
Reportable segment liabilities	136,222	132,385	73,461	77,423	209,683	209,808

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

4. Revenue and segment information (cont'd)

(b) Segment information (cont'd)

	6 months ended	
	30/09/2023	30/09/2022
	\$'000	\$'000
Profit or loss before tax		
Total loss before tax for reportable segments	(4,281)	(15,853)
Loss before tax for other segments	(41)	(336)
	<u>(4,322)</u>	<u>(16,189)</u>
Elimination of inter-segment transactions	5,168	4,071
Unallocated amounts:		
- other corporate expenses	(4,932)	(4,794)
Share of profit of associates (net of tax)	134	158
Consolidated loss before tax	<u>(3,952)</u>	<u>(16,754)</u>
	As at	As at
	30/09/2023	31/03/2023
	\$'000	\$'000
Assets		
Total assets for reportable segments	313,857	318,203
Assets for other segments	18,167	17,736
	<u>332,024</u>	<u>335,939</u>
Investment in associates	8,303	8,175
Deferred tax assets	37	37
Tax recoverable	413	416
Other unallocated amounts	36,635	38,053
Consolidated total assets	<u>377,412</u>	<u>382,620</u>
Liabilities		
Total liabilities for reportable segments	209,683	209,808
Liabilities for other segments	3,704	3,872
	<u>213,387</u>	<u>213,680</u>
Deferred tax liabilities	1,095	1,729
Current tax payable	301	344
Other unallocated amounts	41,815	42,512
Consolidated total liabilities	<u>256,598</u>	<u>258,265</u>

* includes the right-of-use asset and lease liability relating to the property located at No 2, Tanjong Penjuru Crescent, amounting to \$35.4 million and \$37.5 million respectively as at 30 September 2023 (31 March 2023: \$36.6 million and \$38.3 million).

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

5. Loss before tax

Loss before tax includes the following items:

	6 months ended	
	30/09/2023	30/09/2022
	\$'000	\$'000
(a) Cost of sales		
Depreciation of:		
- property, plant and equipment	8,122	10,057
- right-of-use assets ⁽¹⁾	1,014	1,210
Government assistances	(45)	(506)
Provisions (reversed)/made for:		
- onerous contracts	(22)	-
- rectification costs	414	642
⁽¹⁾ Arising from application of SFRS(I) 16 Leases.		
(b) Other income		
Gain on disposal of:		
- property, plant and equipment	(395)	(536)
- assets held for sale	(77)	-
Loss/(Gain) on termination of lease liabilities	3	(14)
(c) Administrative expenses		
Depreciation of:		
- property, plant and equipment	758	500
- right-of-use assets ⁽¹⁾	1,439	1,558
Exchange loss	800	1,236
Government assistances	(28)	(70)
⁽¹⁾ Arising from application of SFRS(I) 16 Leases.		
(d) Other operating expenses/(income)		
Bad debts written back	(63)	(3)
Impairment losses recognised /(reversed) on:		
- property, plant and equipment	60	(40)
- trade and other receivables and contract assets ⁽¹⁾	(41)	(109)
Inventories written down	84	77

⁽¹⁾ The Group's accounts receivables position is reviewed on a periodic basis. Impairment losses are made where required, after assessing the probability of recovering the accounts receivables. Amounts written back are cash recovered from receivables previously impaired.

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

6. Tax (credit)/expense

	6 months ended	
	30/09/2023	30/09/2022
	\$'000	\$'000
Current tax expense		
- current period	93	98
- under/(over) provided in prior years	333	(84)
	<u>426</u>	<u>14</u>
Deferred tax (credit)/expense		
- current period	(283)	113
- over provided in prior years	(355)	(18)
	<u>(638)</u>	<u>95</u>
	<u>(212)</u>	<u>109</u>

7. Loss per share

(a) Basic loss per ordinary share

	6 months ended	
	30/09/2023	30/09/2022
Based on the weighted average number of ordinary shares on issue	(0.08) cents	(0.48) cents

	6 months ended	
	30/09/2023	30/09/2022
	\$'000	\$'000
Basic loss per ordinary share is based on: Net loss attributable to ordinary shareholders	<u>(2,963)</u>	<u>(16,721)</u>

	6 months ended	
	30/09/2023	30/09/2022
Weighted average number of: Issued ordinary shares at beginning of the period	3,588,348,176	3,588,348,176
Ordinary shares held as treasury shares	(71,450,852)	(66,652,240)
Weighted average number of ordinary shares used to compute loss per ordinary share	<u>3,516,897,324</u>	<u>3,521,695,936</u>

(b) Diluted loss per ordinary share

The diluted loss per ordinary share as at 30 September 2023 and 30 September 2022 were the same as the basic loss per ordinary share as at that date as there were no dilutive potential ordinary shares.

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

8. Property, plant and equipment

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

	Group	
	As at 30/09/2023	As at 31/03/2023
	\$'000	\$'000
<u>Cost/Valuation</u>		
Opening balance	392,117	396,973
Additions	5,421	14,514
Reclassification from inventories	372	7,569
Reclassification to assets held for sale	-	(9,039)
Revaluation	-	955
Elimination of accumulated depreciation against cost on revaluation	-	(1,457)
Transfer to inventories	(119)	(2,874)
Disposals/Write-offs	(2,981)	(10,456)
Translation differences on consolidation	(1,771)	(4,068)
Closing balance	<u>393,039</u>	<u>392,117</u>
<u>Accumulated depreciation and impairment losses</u>		
Opening balance	267,394	268,331
Depreciation charge	8,880	20,466
Impairment loss recognised/(reversed)	60	(100)
Reclassification to assets held for sale	-	(8,284)
Elimination of accumulated depreciation against cost on revaluation	-	(1,457)
Transfer to inventories	(33)	(1,362)
Disposals/Write-offs	(2,681)	(7,583)
Translation differences on consolidation	(1,273)	(2,617)
Closing balance	<u>272,347</u>	<u>267,394</u>
Carrying amount	<u>120,692</u>	<u>124,723</u>

During the 6 months ended 30 September 2023, the Group acquired assets amounting to \$5,421,000 (31 March 2023: \$14,514,000) and disposed of assets amounting to \$300,000 (31 March 2023: \$2,873,000).

9. Right-of-use assets and Lease liabilities

The right-of-use asset and lease liability relating to the Group's headquarters located at No 2, Tanjong Penjuru Crescent amounting to \$35,408,000 and \$37,480,000 respectively as at 30 September 2023 (31 March 2023: \$36,608,000 and \$38,306,000).

10. Investment property

As at 30 September 2023, the residential properties still remain under construction and hence, the fair values cannot be measured reliably.

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

11. Inventories

	Group	
	As at 30/09/2023 \$'000	As at 31/03/2023 \$'000
Equipment and machinery held for sale	15,156	10,325
Spare parts	10,831	10,171
Construction materials on sites	2,866	4,023
	<u>28,853</u>	<u>24,519</u>

12. Share capital

	Group and Company			
	As at 30/09/2023		As at 31/03/2023	
	Number of shares	\$'000	Number of shares	\$'000
Issued and fully-paid ordinary shares with no par value:				
At 1 April and 30 September/31 March	<u>3,588,348,176</u>	<u>94,089</u>	<u>3,588,348,176</u>	<u>94,089</u>

As at 30 September 2023 and 31 March 2023, there were no outstanding convertibles.

During the 6 months ended 30 September 2023, the Company completed the buy-back of 1,000,000 ordinary shares (30 September 2022: 7,000,000 shares). There were 72,082,000 shares held as treasury shares as at 30 September 2023 (30 September 2022: 67,920,000 shares), representing 2.0% (30 September 2022: 1.9%) of the total number of ordinary shares issued (excluding treasury shares). There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at 30 September 2023.

The total number of ordinary shares issued (excluding treasury shares) as at 30 September 2023 was 3,516,266,176 (31 March 2023: 3,517,266,176) ordinary shares.

The Company's subsidiaries do not hold any shares in the Company as at 30 September 2023 and 31 March 2023.

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

13. Loans and borrowings

	Group	
	As at 30/09/2023 \$'000	As at 31/03/2023 \$'000
<u>Amount repayable in one year or less, or on demand</u>		
Secured	14,463	14,512
Unsecured	61,118	58,850
	<u>75,581</u>	<u>73,362</u>
<u>Amount repayable after one year</u>		
Secured	15,936	15,853
Unsecured	2,987	4,449
	<u>18,923</u>	<u>20,302</u>
	<u>94,504</u>	<u>93,664</u>

Details of any collateral

The Group's loans and borrowings were \$94,504,000 (31 March 2023: \$93,664,000) and consist of overdrafts, bills payable, finance leases and bank loans. Included in the amounts repayable within one year were bills payable amounting to \$37,798,000 (31 March 2023: \$28,498,000).

The loans and borrowings are secured by legal mortgages over the Group's assets listed below and guaranteed by the Company, out of which \$7,959,000 (31 March 2023: \$9,079,000) are also guaranteed by a related corporation:

- a) \$24,538,000 (31 March 2023: \$22,090,000) in respect of plant and machinery acquired under hire purchase arrangements;
- b) \$5,861,000 (31 March 2023: \$6,254,000) which are secured by a charge over the leasehold land and properties;
- c) \$Nil (31 March 2023: \$1,024,000) are secured by a charge over the leasehold property and fixed deposit; and
- d) \$Nil (31 March 2023: \$997,000) are secured by a charge over the fixed deposits of the Group.

14. Dividends

No interim dividends were paid by the Company in respect of the 6 months ended 30 September 2023 and 2022.

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

15. Net asset value

	Group		Company	
	As at 30/09/2023	As at 31/03/2023	As at 30/09/2023	As at 31/03/2023
	Cents	Cents	Cents	Cents
Net asset value per ordinary shares	3.4	3.5	3.1	3.1

The net asset value per ordinary share is calculated based on net asset value of the Group of \$120,814,000 (31 March 2023: \$124,355,000) and the Company of \$109,010,000 (31 March 2023: \$108,989,000) over the total number of ordinary shares issued (excluding treasury shares) as at 30 September 2023 of 3,516,266,176 (31 March 2023: 3,517,266,176) ordinary shares.

16. Commitments

As at reporting date, the Group had the following commitments:

Capital expenditure contracted for but not recognised in the financial statements is as follows:

	As at 30/09/2023 \$'000	As at 31/03/2023 \$'000
Capital commitment in respect of:		
- acquisition of property, plant and equipment	138	255

17. Related parties

Transactions with key management personnel

Key management personnel compensation

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The directors and senior management are considered as key management personnel of the Group.

Key management personnel compensation comprised:

	6 months ended	
	30/09/2023 \$'000	30/09/2022 \$'000
Short-term employee benefits	2,885	2,820
Post-employment benefits (including contributions to defined contribution plans)	125	108
	<u>3,010</u>	<u>2,928</u>

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

17. Related parties (cont'd)

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

	6 months ended	
	30/09/2023	30/09/2022
	\$'000	\$'000
Professional fees	11	15

Other related party transactions

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

	6 months ended	
	30/09/2023	30/09/2022
	\$'000	\$'000
Companies in which a director and a substantial shareholder of the Group have substantial financial interests		
Revenue from foundation engineering works	-	7
Revenue from rental and service income	138	87
Expenses related to short-term leases	(234)	(299)
Expenses related to transport, handling and service charges	(68)	-
Purchase of plant and equipment	-	(190)
Upkeep of machinery and equipment expenses	(13)	(27)

18. Fair value of financial instruments

The accounting policies involving the most significant judgements and estimates used in the preparation of the condensed interim financial statements are consistent with those found in the last audited financial statements for the year ended 31 March 2023.

Fair value hierarchy

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

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

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

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

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

Fair values versus carrying amounts

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

Group	Carrying amount			Fair value			
	Amortised cost \$'000	Other financial liabilities \$'000	Total carrying amount \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
30 September 2023							
Financial assets not measured at fair value							
Trade and other receivables [#]	97,376	–	97,376	–	97,376	–	97,376
Cash and cash equivalents	14,767	–	14,767				
	<u>112,143</u>	<u>–</u>	<u>112,143</u>				
Financial liabilities not measured at fair value							
Bank overdrafts	–	(638)	(638)				
Bills payable	–	(37,798)	(37,798)				
Secured bank loans	–	(5,861)	(5,861)	–	(5,894)	–	(5,894)
Unsecured bank loans	–	(25,669)	(25,669)	–	(25,896)	–	(25,896)
Trade and other payables [*]	–	(112,343)	(112,343)	–	(112,343)	–	(112,343)
	<u>–</u>	<u>(182,309)</u>	<u>(182,309)</u>				
31 March 2023							
Financial assets not measured at fair value							
Trade and other receivables [#]	91,282	–	91,282	–	91,282	–	91,282
Cash and cash equivalents	22,804	–	22,804				
	<u>114,086</u>	<u>–</u>	<u>114,086</u>				
Financial liabilities not measured at fair value							
Bank overdrafts	–	(4,547)	(4,547)				
Bills payable	–	(28,498)	(28,498)				
Secured bank loans	–	(7,409)	(7,409)	–	(7,437)	–	(7,437)
Unsecured bank loans	–	(31,120)	(31,120)	–	(31,181)	–	(31,181)
Trade and other payables [*]	–	(113,633)	(113,633)	–	(113,633)	–	(113,633)
	<u>–</u>	<u>(185,207)</u>	<u>(185,207)</u>				

Excludes prepayments

* Excludes deposits received

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

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

Fair values versus carrying amounts (cont'd)

	Carrying amount			Fair value			
	Amortised cost \$'000	Other financial liabilities \$'000	Total carrying amount \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Company							
30 September 2023							
Financial assets not measured at fair value							
Trade and other receivables [#]	31,743	–	31,743	–	31,743	–	31,743
Cash and cash equivalents	315	–	315				
	<u>32,058</u>	<u>–</u>	<u>32,058</u>				
Financial liabilities not measured at fair value							
Unsecured bank loan	–	(1,430)	(1,430)	–	(1,502)	–	(1,502)
Trade and other payables*	–	(17,729)	(17,729)				
	<u>–</u>	<u>(19,159)</u>	<u>(19,159)</u>				
31 March 2023							
Financial assets not measured at fair value							
Trade and other receivables [#]	28,628	–	28,628	–	28,628	–	28,628
Cash and cash equivalents	711	–	711				
	<u>29,339</u>	<u>–</u>	<u>29,339</u>				
Financial liabilities not measured at fair value							
Unsecured bank loan	–	(1,655)	(1,655)	–	(1,670)	–	(1,670)
Trade and other payables*	–	(14,794)	(14,794)				
	<u>–</u>	<u>(16,449)</u>	<u>(16,449)</u>				

Excludes prepayments

* Excludes deposits received

Measurement of fair values

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

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

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

Floating interest rate bank loans

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

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

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

Measurement of fair values (cont'd)

Other financial assets and liabilities

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

Transfers between Levels 1, 2 and 3

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

Other information required by Listing Rule Appendix 7.2

1. Review of the Performance of the Group

A. Consolidated Statement of Profit or Loss

1HFY24 – for the 6 months ended 30 September 2023

2HFY23 – for the 6 months ended 31 March 2023

1HFY23 – for the 6 months ended 30 September 2022

Review of Results for the 6 Months Ended 30 September 2023

	1HFY24 \$'000	2HFY23 \$'000	Change %	1HFY24 \$'000	1HFY23 \$'000	Change %
	A	B	A - B	C	D	C - D
Revenue	146,426	146,586	-0.1%	146,426	118,013	24.1%
Variable Project Costs	(99,925)	(105,954)	-5.7%	(99,925)	(83,938)	19.0%
Project Contribution	46,501	40,632	14.4%	46,501	34,075	36.5%
<i>Project Contribution Margins</i>	31.8%	27.7%		31.8%	28.9%	
Project Overheads	(33,542)	(33,814)	-0.8%	(33,542)	(35,104)	-4.4%
Gross Profit/(Loss) before Government Assurances	12,959	6,818	90.1%	12,959	(1,029)	N.M.
<i>Gross Profit/(Loss) Margins</i>	8.9%	4.7%		8.9%	-0.9%	
Government Assurances	-	-	N.M.	-	506	-100.0%
Gross Profit/(Loss)	12,959	6,818	90.1%	12,959	(523)	N.M.
<i>Gross Profit/(Loss) Margins</i>	8.9%	4.7%		8.9%	-0.4%	
Other Income	675	694	-2.7%	675	1,047	-35.5%
Operating Expenses	(14,589)	(15,437)	-5.5%	(14,589)	(15,408)	-5.3%
Government Assurances	-	-	N.M.	-	70	-100.0%
Loss from Operating Activities	(955)	(7,925)	-87.9%	(955)	(14,814)	-93.6%
Net Finance Expenses	(3,131)	(2,467)	26.9%	(3,131)	(2,098)	49.2%
Share of Profit/(Loss) of Associates	134	(242)	N.M.	134	158	-15.2%
Loss before Tax	(3,952)	(10,634)	-62.8%	(3,952)	(16,754)	-76.4%
Tax Credit/(Expense)	212	393	-46.1%	212	(109)	N.M.
Loss for the period	(3,740)	(10,241)	-63.5%	(3,740)	(16,863)	-77.8%
EBITDA	10,512	4,194	>100.0%	10,512	(1,331)	N.M.

Revenue

The Group recorded a revenue of \$146.4 million for 1HFY24, representing a 24.1% increase over the \$118.0 million recorded in 1HFY23.

The year-on-year improvement reflects the higher level of construction activity, compared to the same period a year ago.

Revenue was stable compared to 2HFY23, taking into account lower sales generated by the Group's equipment trading division.

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

1. Review of the Performance of the Group (Cont'd)

A. Consolidated Statement of Profit or Loss (Cont'd)

Gross Profit/(Loss)

On the back of the higher construction activities in 1HFY24, the Group's gross profit and gross profit margin improved to \$13.0 million and 8.9% (1HFY23: gross loss and gross loss margin of \$0.5 million and 0.4%; 2HFY23: \$6.8 million and 4.7%).

Other Income

	1HFY24 \$'000	2HFY23 \$'000	Change %	1HFY24 \$'000	1HFY23 \$'000	Change %
	A	B	A - B	C	D	C - D
Gain on Disposal of:						
- Property, Plant & Equipment	395	428	-7.7%	395	536	-26.3%
- Assets Held for Sale	77	-	N.M.	77	-	N.M.
Sale of Scrap Steel	22	114	-80.7%	22	253	-91.3%
Other Miscellaneous Income	181	152	19.1%	181	258	-29.8%
Other Income	675	694	-2.7%	675	1,047	-35.5%

The Group recorded lower other income of \$0.7 million for 1HFY24 (1HFY23: \$1.0 million), mainly due to a smaller gain from the disposal of old equipment and lower proceeds from the sale of scrap steel in 1HFY24 compared to 1HFY23 when the Group generated higher proceeds due to higher steel market prices.

Other income for 1HFY24 was relatively unchanged compared to the \$0.7 million in 2HFY23.

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

1. Review of the Performance of the Group (Cont'd)

A. Consolidated Statement of Profit or Loss (Cont'd)

Operating Expenses

	1HFY24 \$'000	2HFY23 \$'000	Change %	1HFY24 \$'000	1HFY23 \$'000	Change %
	A	B	A - B	C	D	C - D
Other Operating Expenses	11,166	11,713	-4.7%	11,166	11,577	-3.6%
a) Distribution Expenses	323	500	-35.4%	323	609	-47.0%
b) Depreciation of:						
- Property, Plant and Equipment	758	657	15.4%	758	500	51.6%
- Right-of-use Assets	1,439	1,438	0.1%	1,439	1,558	-7.6%
c) Impairment Losses (Reversed)/ Recognised on Trade and Other Receivables and Contract Assets	(41)	437	N.M.	(41)	(109)	-62.4%
d) Impairment Losses/Write-Down of Other Assets	144	(10)	N.M.	144	37	>100.0%
e) Exchange Loss	800	702	14.0%	800	1,236	-35.3%
Operating Expenses	14,589	15,437	-5.5%	14,589	15,408	-5.3%
Government Assistancess	-	-	N.M.	-	(70)	-100.0%
Operating Expenses (Net of Government Assistancess) *	14,589	15,437	-5.5%	14,589	15,338	-4.9%
Other Operating Expenses /Revenue	7.6%	8.0%		7.6%	9.8%	

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

Other operating expenses for 1HFY24 decreased by 3.6% and 4.7% to \$11.2 million (1HFY23: \$11.6 million; 2HFY23: \$11.7 million). The Group incurred lower freight charges and business travel expenses for its regional operations in tandem with the decrease in business activity in the equipment trading division. In addition, the Group recovered certain long-standing bad debts amounting to \$0.1 million, which were fully written off previously, in 1HFY24.

The Group's depreciation charge for right-of-use assets includes the depreciation of \$1.2 million for its headquarters located at No 2, Tanjong Penjuru Crescent ("2TPC") in 1HFY24 (1HFY23: \$1.2 million; 2HFY23: \$1.2 million).

The Group recorded a foreign exchange loss of \$0.8 million for 1HFY24 (1HFY23: \$1.2 million; 2HFY23: \$0.7 million), due to the depreciation of the Malaysia Ringgit ("MYR") against its functional currency, the Singapore Dollar ("SGD"). Since September 2022, MYR had depreciated against SGD by approximately 6.0%.

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

1. Review of the Performance of the Group (Cont'd)

A. Consolidated Statement of Profit or Loss (Cont'd)

Net Finance Expenses

	1HFY24 \$'000	2HFY23 \$'000	Change %	1HFY24 \$'000	1HFY23 \$'000	Change %
	A	B	A - B	C	D	C - D
Interest Income	105	135	-22.2%	105	61	72.1%
Interest Expenses	(2,681)	(2,303)	16.4%	(2,681)	(1,765)	51.9%
Net Interest Expenses	(2,576)	(2,168)	18.8%	(2,576)	(1,704)	51.2%
Imputed Interest on:						
- Non-Current Assets	265	504	-47.4%	265	414	-36.0%
- Non-Current Liabilities	(147)	(107)	37.4%	(147)	(123)	19.5%
Interest Expenses on Lease Liabilities	(673)	(696)	-3.3%	(673)	(685)	-1.8%
Net Finance Expenses	(3,131)	(2,467)	26.9%	(3,131)	(2,098)	49.2%

Net interest expenses was higher at \$2.6 million for 1HFY24 (1HFY23: \$1.7 million), mainly due to higher utilisation of floating interest rate trade facilities in 1HFY24. The increased floating interest rates, which were benchmarked to Singapore Overnight Rate Average (SORA), charged by financial institutions in 1HFY24 also contributed to the increase in net interest expenses. Since September 2022, the floating interest rates had increased by approximately 100 basis points.

Compared to 2HFY23, net interest expenses for 1HFY24 rose by 18.8% as a result of the higher project financing facilities drawn down in 1HFY24.

With respect to the lease liability relating to 2TPC, the Group recognised an interest expense of \$0.6 million for 1HFY24 (1HFY23: \$0.6 million; 2HFY23: \$0.6 million).

Loss for the period

Taking into account the above, the Group recorded a lower net loss of \$3.7 million in 1HFY24 (1HFY23: \$16.9 million).

Notwithstanding the net loss in 1HFY24, the Group's earnings before interest, tax, depreciation and amortization (EBITDA) improved to \$10.5 million in 1HFY24 (1HFY23: negative EBITDA of \$1.3 million).

Loss per share for 1HFY24 was 0.08 cent (1HFY23: 0.48 cent).

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

1. Review of the Performance of the Group (Cont'd)

B. Statement of Financial Position

Non-Current Assets

Property, Plant and Equipment

Net book value of property, plant and equipment as at 30 September 2023 was \$120.7 million (31 March 2023: \$124.7 million).

In 1HFY24, the Group acquired new property, plant and equipment amounting to \$5.4 million. In addition, following a reassessment in the economic uses of certain inventories, plant and machinery, the Group recapitalised \$0.4 million in inventories as property, plant and equipment. The Group also recapitalised \$0.1 million in property, plant and equipment as inventories in 1HFY24.

The Group disposed of plant and equipment with carrying values of \$0.3 million and recorded a \$0.4 million gain on the disposal. Depreciation charge for 1HFY24 was \$8.9 million (1HFY23: \$10.6 million).

Right-of-use Assets

Right-of-use asset and lease liability relating to 2TPC amounted to \$35.4 million (31 March 2023: \$36.6 million) and \$37.5 million respectively as at 30 September 2023 (31 March 2023: \$38.3 million).

Net Current Assets

As at 30 September 2023, net current assets stood at \$4.9 million (31 March 2023: \$8.5 million). Current ratio (current assets / current liabilities) was 1.03 (31 March 2023: 1.05).

The Group held higher inventories of \$28.9 million as at 30 September 2023 (31 March 2023: \$24.5 million) as the Group maintains sufficient inventory level to meet the anticipated increased equipment sales and leasing activities in the coming period.

Trade and other receivables and contract assets increased by \$7.4 million to \$153.5 million (31 March 2023: \$146.1 million), while trade and other payables and contract liabilities increased by \$5.3 million to \$109.5 million (31 March 2023: \$104.2 million), in view of the higher level of construction activity in 1HFY24.

As at 30 September 2023, assets held for sale was \$0.6 million (31 March 2023: \$0.8).

Loans and Borrowings

The Group's loans and borrowings stood at \$94.5 million as at 30 September 2023 (31 March 2023: \$93.7 million). Out of which \$58.4 million (62%) are floating interest rate loans as at 30 September 2023 (31 March 2023: \$53.1 million, 57%). The Group drew down more trade facilities to finance the business operations in 1HFY24 as there were higher level of construction activity and slower collections from certain customers. In addition, new finance lease loans were also drawn down to finance the acquisition of equipment.

The debt-to-equity ratio was 0.78 as at 30 September 2023 (31 March 2023: 0.75).

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

1. Review of the Performance of the Group (Cont'd)

B. Statement of Financial Position (Cont'd)

Equity and Net Asset Value

In 1HFY24, the Group completed the buy-back of 1.0 million ordinary shares for a purchase consideration of \$0.1 million. In this regard, there were 72.1 million shares with carrying values of \$3.1 million held as treasury shares as at 30 September 2023 (31 March 2023: 71.1 million shares with \$3.0 million).

As at 30 September 2023, the Group's equity stood at \$120.8 million (31 March 2023: \$124.4 million), while net asset value per ordinary share was 3.4 cents (31 March 2023: 3.5 cents).

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

1. Review of the Performance of the Group (Cont'd)

C. Cash Flow

	1HFY24 \$'000	2HFY23 \$'000	Change %	1HFY24 \$'000	1HFY23 \$'000	Change %
	A	B	A - B	C	D	C - D
Cash Flow from Operating Activities	6,746	8,338	-19.1%	6,746	2,368	184.9%
Cash Flow from Investing Activities	(5,659)	(1,550)	265.1%	(5,659)	(4,197)	>100.0%
Cash Flow from Financing Activities	(3,908)	(6,066)	-35.6%	(3,908)	(12,818)	-69.5%
Cash and Cash Equivalents	13,979	16,753	-16.6%	13,979	16,279	-14.1%

Cash Flow from Operating Activities

The Group generated net cash inflow of \$6.7 million from operating activities for 1HFY24 (1HFY23: \$2.4 million), despite the net loss recorded. This was a result of focused working capital management and efforts to expedite the collections of receivables.

Compared to 2HFY23, net cash inflow for 1HFY24 was lower than the \$8.3 million in 2HFY23, as the Group acquired more inventories in 1HFY24 to meet the anticipated equipment sales and leasing activities in the coming period. The Group was also experiencing slower collections from certain customers in 1HFY24.

Cash Flow from Investing Activities

Net cash outflow from investing activities was higher at \$5.7 million for 1HFY24 (1HFY23: \$4.2 million; 2HFY23: \$1.6 million), mainly due to higher capital expenditure incurred in 1HFY24 as part of the Group's fleet renewal exercise. In addition, the Group invested \$0.8 million in the property development projects in 1HFY24.

Cash Flow from Financing Activities

Net cash outflow from financing activities was \$3.9 million for 1HFY24 (1HFY23: \$12.8 million; 2HFY23: \$6.1 million), taking into account the net repayment of bank borrowings. The Group had drawn down finance lease loans and utilized more trade facilities to finance the business operations in 1HFY24, which resulted in the interest paid of \$3.4 million in the same period.

Cash and Cash Equivalents

Taking into consideration the above, the Group's cash and cash equivalents stood at \$14.0 million as at 30 September 2023 (30 September 2022: \$16.3 million; 31 March 2023: \$16.8 million).

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

2. Outlook

The impact of geopolitical uncertainties such as conflicts in Europe and the Middle East, on global supply chains is expected to continue propping up raw material and energy prices. Coupled with interest rates expecting to stay high, the Group's operating costs will likely to remain under pressure.

A reduction in foreign work quota that took effect in September 2023, with the persistent shortage of purpose-built dormitories for housing foreign workers, are expected to weigh on the Group's labour costs. With these and the impending increase in foreign worker levy in January 2024 in mind, the Group is actively managing its manpower and resource deployment strategy to optimise operational efficiency.

In the year ahead, the Group will continue to leverage its strong capabilities and firm track record to tender for projects as it prioritises project profitability alongside maintaining its competitiveness and sustaining healthy cash flow.

As at 31 October 2023, the Group's order book stood at \$270 million (30 April 2023: \$240 million).

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

3. Interested person transactions

The Company had not obtained a shareholders' mandate for the interested person transactions under Chapter 9 of the Listing Manual.

Interested person transactions carried out during the 6 months ended 30 September 2023 under Chapter 9 of the Listing Manual are as follows:

Name of interested person	Aggregate value of all interested person transactions during the period under review (excluding transactions less than \$100,000) ⁽¹⁾
	6 months ended 30/09/2023
	\$'000
Tat Hong Plant Leasing Pte Ltd ⁽²⁾	107

Note:

⁽¹⁾ Excludes the transactions where the aggregate value of each category of transactions entered into with the same interested person was less than \$100,000. These transactions are not required in the interested person transactions disclosure under Chapter 9 of the Listing Manual.

⁽²⁾ Tat Hong Plant Leasing Pte Ltd ("THPL") is a related corporation of TH Investments Pte Ltd ("THI"), a substantial shareholder of the Company. THPL is an associate of controlling shareholders of the Company, namely, THI, Tat Hong Investments Pte Ltd, Chwee Cheng & Sons Pte Ltd, Mr Ng Sun Ho Tony, Mr Ng San Wee David, Mr Ng Sun Giam Roger and Mr Ng San Tiong Roland (who is also Non-Executive Director of the Company).

4. Audit / Review

The Group's figures have been reviewed by the Company's auditors in accordance with Singapore Standard on Review Engagements 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". The auditors' review report is issued in relation to the Group's Condensed Interim Financial Statements which is attached herewith. There are no qualifications or emphasis of matters in the auditors' review report.

5. Variance from Prospect Statement

The Group's unaudited condensed interim financial statements for the 6 months ended 30 September 2023 are in line with the commentary disclosed in the profit guidance announcement dated 6 November 2023.

6. Dividend

No dividend has been declared/recommended for 1HFY24 and the corresponding period of the immediately preceding financial year, so as to preserve the Group's cash position.

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

7. Confirmation

The directors of the Company confirm that to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the financial results for the period under review to be false or misleading in any material respect pursuant to Rule 705(5) of the SGX-ST Listing Manual.

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the SGX-ST Listing Manual.

By Order of the Board

**See Yen Tarn
Executive Director and Group Chief Executive Officer
9 November 2023**