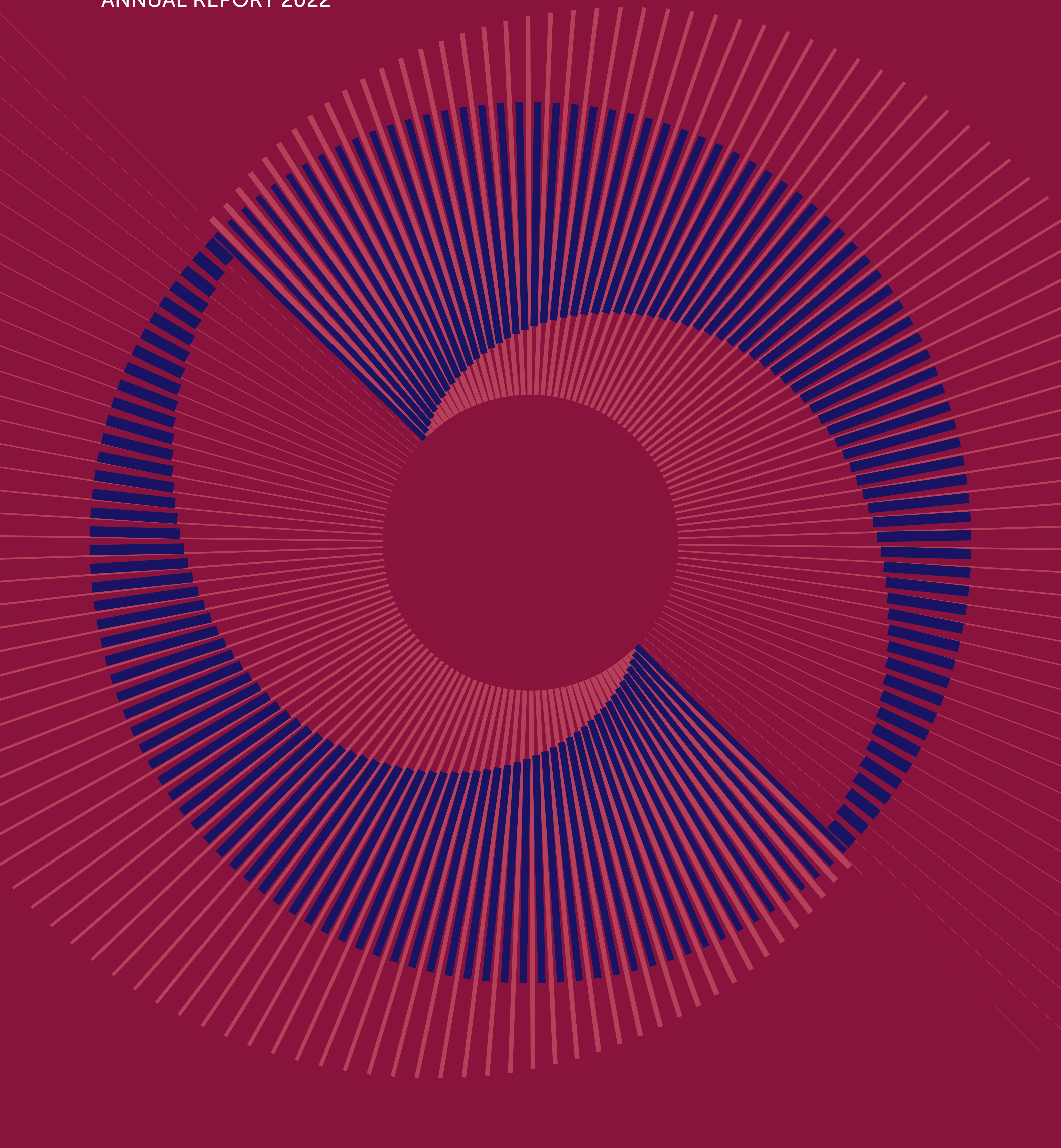
STABILITY IN UNCERTAINTY

ANNUAL REPORT 2022

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CSC
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STABILITY IN UNCERTAINTY

At CSC, we are capable of fortifying foundations for our customers, just as much we ensure that our own operating fundamentals stay strong and resilient. Despite the challenges businesses encounter in today's global economy, we strive to uphold our core values and commitment to deliver excellence to our stakeholders. By continuously building on our strengths and refining our strategies, we will continue to forge forward and work together to ensure that the Group remains stable even in the most challenging of times.

ENHANCING FUNDAMENTAL STRENGTHS

CSC offers a full range of capabilities in foundation and geotechnical engineering solutions. We have developed a solid track record that extends across the region, with every project adding to our experience and expertise. This in turn enhances our fundamental strengths and secures our position as an industry partner of choice.


PP68
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CREATING VALUE THROUGH INNOVATION

We recognise the need to innovate in order to stay ahead. This allows us to create effective solutions to improve our business operations and raise safety standards. Such innovations include fall arrest work platforms, the RC pile handler, as well as using a mobile site reporting system to elevate the way we work.

WORKING TOGETHER TO EMERGE STRONGER

Teamwork is essential to progress, and is even more valuable in times of uncertainty. CSC is able to leverage on effective synergies both internally and externally to achieve a common goal. Working as one allows us to align our focus to overcome challenges and deliver sustainable results to all stakeholders.

CSC HOLDINGS LIMITED AT A GLANCE

CSC Holdings Limited Group of companies ("the Group") is Singapore's leading foundation and geotechnical engineering specialist and the region's leading ground engineering solutions provider for private and public sector works which include residential, commercial, industrial and infrastructure projects. Founded in 1975, it has been listed on the Main Board of the Singapore Exchange Limited since 1998.

The Group operates principally as foundation and geotechnical engineering specialists and offers a full range of capabilities in this field which includes the construction and installation of large diameter bored piles, diaphragm walls, ground improvement works, driven piles, jack-in piles, micro piles, soil investigation, pile testing and instrumentation services and automatic underground tunnel monitoring and engineering survey. With a total regional workforce of around 1,400 employees, the Group currently operates in Singapore and Malaysia.

Backed by strong fundamentals and an experienced management team, the Group's excellent reputation through the years has made professionalism, performance and good corporate governance a trademark of its business.

CONTENTS

SCOPE OF SERVICES

FOUNDATION AND GEOTECHNICAL ENGINEERING WORKS

- Large Diameter Bored Piles
- Contiguous Bored Pile / Secant Piles
- Barrette Piles
- Diaphragm Walls
- Jack-In-Piles
- Driven Piles (Steel Piles, RC Piles and Spun Piles)
- Micro Piles (Bored and Driven)
- Pile caps and basement
- Pile load tests (Compression Load Tests, Tension Load Test and Lateral Load Test)

GROUND ENGINEERING WORKS

- Jet Grouting / TAM Grouting / Fissure Grouting / Base Grouting
- Deep Cement Mixing
- Soil Nails / Ground Anchors
- Cofferdams / Steel Sheet Piles

SOIL INVESTIGATION, INSTRUMENTATION AND SPECIALISED SURVEYING WORKS

- Land and Marine Soil Investigation
- Soil Laboratory Testing, Geotechnical Instrumentation and Monitoring
- Pile Load Test Instrumentation (Conventional Strain Gauge method and Strain Transducer method)
- Automated Structural and Tunnel Deformation Monitoring Survey
- Ground and Topographical Survey
- Geophysical / Resistivity Investigation / Mapping
- Bi-directional Load Testing, Dynamic Pile Testing and Pile Integrity Testing

SALE AND LEASE OF FOUNDATION ENGINEERING EQUIPMENTS AND ACCESSORIES

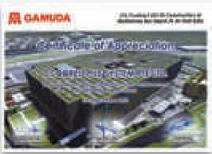
- Sale and Leasing of hydraulic bored piling rigs, pile driving rigs, jack in piling rigs and other piling rigs
- Sale and Leasing of hydraulic vibrohammers and other foundation engineering equipment
- Sale of parts, accessories and consumables for the foundation engineering industry
- Leasing of steel plates

AWARDS & COMMENDATIONS

Pfizer exyte

APPRECIATION AWARD

Presented To
CS Construction & Geotechnic Pte Ltd
For **API Expansion Project**



GAMUDA

IN RECOGNITION OF CONTRIBUTION TO THE ACHIEVEMENT OF 500,000 SAFE MAN-HOURS AT LTA CONTRACT DE142 PROJECT

Presented To
CS Bored Pile System Pte Ltd

MCC

IN RECOGNITION AS A WINNER OF BEST SUBCONTRACTOR AWARD IN YEAR 2021

Presented To
CS Construction & Geotechnic Pte Ltd

Keppel APECO

RECOGNITION OF CONTRIBUTION OF 900,000 ACCIDENT-FREE MAN-HOURS & ACHIEVEMENT OF JTC CONSTRUCTION SAFETY AWARD 2021

At **Jurong Rock Caverns, Jurong Island Project**
Presented To
CS Construction & Geotechnic Pte Ltd

THE SINGAPORE CONTRACTORS ASSOCIATION LTD

SCAL WORKPLACE SAFETY & HEALTH INNOVATION AWARDS 2021

Certificate of Merit
For **Fall Arrest Work Platform (FAWP)**
Presented To
CS Bored Pile System Pte Ltd

ARKEMA wood.

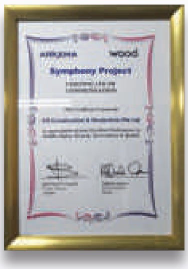
500,000 SAFE MANHOURS RECOGNITION

At **Symphony Project**
Presented To
CS Construction & Geotechnic Pte Ltd

Pfizer exyte

RECOGNITION OF CONTRIBUTION OF 100,000 SAFE MANHOURS WITHOUT LTI

At **Pfizer API Expansion Project**
Presented To
CS Construction & Geotechnic Pte Ltd



ARKEMA wood.

IN APPRECIATION OF YOUR EXCELLENT PERFORMANCE IN HEALTH, SAFETY, SECURITY, ENVIRONMENT & QUALITY

At **Symphony Project**
Presented To
CS Construction & Geotechnic Pte Ltd

PIPENET APECO ASIA PROJECTS ENGINEERING PTE LTD

IN RECOGNITION OF YOUR CONTRIBUTION TO WORKPLACE SAFETY AND HEALTH

On **EPC Project**
Presented To
CS Construction & Geotechnic Pte Ltd

exyte

SAFETY INNOVATION FALL ARREST WORK PLATFORM

Presented To
CS Bored Pile System Pte Ltd

Nishimatsu

MOST SAFETY CONSCIOUS SUBCONTRACTOR

For **C882 Circle Line 6 Keppel Station and Tunnels Project**
Presented To
L&M Foundation Specialist Pte Ltd

XCMG

THE BEST SALES AWARD (2018, 2019 & 2020)

Presented To

THL Foundation Equipment Pte Ltd

Worley NALCO Champion An Ecolab Company

FOR THE CONTRIBUTION AND EFFORT TOWARDS THE ACHIEVEMENT OF 250,000 SAFE WORK HOURS WITHOUT LTI

Presented To

CS Construction & Geotechnic Pte Ltd

NESTE

FOR YOUR SUCCESSFUL INSTALLATION OF NESTE SINGAPORE EXPANSION PROJECT FOUNDATION WORKS INCLUDING OVER 13,000 PILES WITHOUT LOSS-TIME INCIDENTS, ON SCHEDULE AND WITHIN THE BUDGET

Presented To

CS Construction & Geotechnic Pte Ltd

WOH HUP BUILDING WITH INTEGRITY

BUSINESS PARTNERS APPRECIATION AWARD 2019

For Your Oustanding Support And Contribution

At **Cairnhill Nine Ascott Orchard Singapore**

presented To

CS Bored Pile System Pte Ltd

Land Transport Authority We Keep Your World Moving

ANNUAL SHE AWARD 2019

Subcontractor's Safety Recognition

Presented To

L&M Foundation Specialist

NESTE TechnipFMC

PILING COMPLETED AT SOUTH PLOT ON TIME WITH SAFETY AND QUALITY

On **Neste Singapore Expansion Project**

Presented To

CS Construction & Geotechnic Pte Ltd

黄清建设工程有限公司 HPC BUILDERS PTE LTD

THE BEST SUB-CONTRACTOR AWARD

Presented To

CS Bored Pile System Pte Ltd
& CS Construction & Geotechnic Pte. Ltd.

exyte siltronic perfect silicon solutions

BEST SHE PERFORMANCE AWARD

On **Siltronic CZ Expansion Project**

Presented To

CS Construction & Geotechnic Pte Ltd

Successfully Building a Better Future NISHIMATSU CONSTRUCTION CO.,LTD.

BEST CONTRACTOR AWARD

On **Recognition of Good Performance in Occupational Safety, Health and Environment**

Presented To

CS Construction & Geotechnic Pte Ltd

WOH HUP BUILDING WITH INTEGRITY

CIVIL SAFETY CAMPAIGN 2019 MOST SAFETY CONSCIOUS SUBCONTRACTOR

At **T306 Thomson-East Coast Tanjong Katong Station**

Presented To

L&M Foundation Specialist

CHAIRMAN'S STATEMENT

LEVERAGING OUR TRACK RECORD AND COMPETENCIES, WE SUCCESSFULLY TAPPED THE OPPORTUNITIES IN SINGAPORE IN 1HFY22 AND MALAYSIA IN 2HFY22, TO SECURE A DECENT PORTFOLIO OF CONTRACTS WHICH ALLOWED US TO CLOSE THE YEAR ON A POSITIVE NOTE.

Dear Shareholders,

The financial year ended 31 March 2022 ("FY22") was a confluence of mixed operating conditions for the Group in Singapore and Malaysia, with each country presenting its set of challenges. In the initial six months of the financial year ("1HFY22"), while construction activities in Singapore registered signs of improvement in tandem with the easing of Covid-19 containment measures, economic activities in Malaysia were hampered by the introduction of Movement Control Order (MCO) from 12 May 2021 to 1 August 2021 as part of the country's effort to contain the spread of Covid-19. The situation was reversed in the second half of the financial year ("2HFY22") when re-opening of Malaysia resulted in a pick-up in construction activity, just as demand for construction services in Singapore began to wane as fluctuations in the price of construction materials led the main contractors to hold back on awarding jobs to sub-contractors like us. Nevertheless, leveraging our track record and competencies, we successfully tapped the opportunities in Singapore in 1HFY22 and Malaysia in 2HFY22, to secure a decent portfolio of contracts which allowed us to close the year on a positive note.

On the back of increased construction activity, our group revenue rose 50.7% to $268.7 million in FY22, from $178.3 million in the previous financial year ended 31 March 2021 ("FY21"). We recorded net profit attributable to shareholders of $0.7 million in FY22. This represents a turnaround from a net loss attributable to shareholders of $11.0 million in FY21. Through prudent financial management, we also maintained a healthy cash position of $34.4 million at the close of the year, in spite of higher capital expenditure, which included the purchase of two leasehold properties of $7.8 million.

YEAR IN REVIEW

Our operations in Singapore were mainly supported by public sector infrastructure projects, along with some contracts secured from multinational corporations in 1HFY22. Nonetheless, manpower shortage and disruptions to the supply chain arising from border closures, and the consequent delay in commencement of some projects resulted in a compromise to our productivity. In Malaysia, the lifting of the MCO in 2HFY22 saw us resuming and completing work on projects secured prior to the pandemic. While these helped to lift the Group's revenue, margins for these contracts were significantly eroded by higher material prices. Bearing this in mind, the Group has been judicious in tendering for new contracts both in Singapore and Malaysia, by ensuring that the Group is not subject to excessive exposure to fluctuations in the prices of construction materials.

The year in review also saw us strengthening our position in the infrastructure equipment space as our 55%-owned trading arm, THL Foundation Equipment Pte Ltd ("THLFE"), increased its shareholding in ICE Far East Pte Ltd from 85% to 100% in July 2021. THLFE has also incorporated a wholly owned subsidiary in Vietnam to engage in the trading and leasing of heavy equipment, machinery, spare parts and consumable items, as well as provide repair and other related services. The expansion of our presence in this business forms part of our strategy to enhance the Group's existing income stream.

We have also been refocusing on our core competencies, as well as managing asset utilisation and operational efficiencies to improve our return on assets and return on equity. As part of cost containment, we tendered for, and successfully secured, two Temporary Occupancy License (TOL) for two plots of industrial lands from JTC Corporation with an aggregate land area of 16,300m^2. We are utilising the site to store our heavy equipment and machinery, and expect to achieve reasonable rental savings for this purpose over the three-year lease term. The Group has also been actively buying back its shares from the market, and as of 31 March 2022, has purchased a total of 40.4 million, or 1.13%, of its ordinary issued shares from the market. We will be seeking to renew the share buyback mandate at the upcoming Annual General Meeting, and are looking forward to receiving your support for it.

LOOKING AHEAD

The operational challenges pertaining to manpower and raw material cost are likely to persist in the year ahead, in addition to supply chain disruptions and other cost issues due to geopolitical instability and inflationary headwinds. On a brighter note, BCA's healthy forecast of between $27 billion and $32 billion for 2022, and the relaxation of Covid-19 measures in Singapore, give reason for cautious optimism over Singapore's construction industry outlook. In addition, following the lifting of Malaysia's nationwide lockdown, our construction activity in the country is recording consistent productivity improvements.

Competition for contracts remains keen in the absence of private-sector demand for construction services. With the rise in material cost thus outpacing the increase in tender prices, we continue to be selective in our tender activity, taking into consideration the amount of buffer in our tender prices against potential cost increases. Amid uncertainties in the geopolitical situation, we are also careful to consider the financial situation of our customers and partners.

APPRECIATION

Our Board has been strengthened with the return of Mr Ng San Tiong Roland as a Non-Executive Director of CSC Holdings in August 2021. Mr Ng, who had previously served on the Board from 2002 to 2016, possesses extensive experience in heavy equipment and plant hiring business, is a valuable source of guidance and support for the Company. On the Management front, we are pleased to recognise our Group Chief Operating Officer (COO) and Chief Sustainability Officer (CSO), Mr Koo Chung Chong, for his contribution, and have promoted him to Group Deputy Chief Executive Officer as of 26 May 2022. Mr Koo will continue to serve as Group COO and CSO and oversee the Group's marketing, operational and sustainability matters.

I am thankful to my fellow Directors who have generously shared their invaluable counsel and insight. I would also like to extend my appreciation to our management and staff who have given their best to the Group over the last financial year. Finally, I am grateful to all our shareholders, customers, business partners and associates whose constant belief and trust in us have kept us moving forward on our business momentum and initiatives.

Wishing you good health and stay safe.

DR LEONG HORN KEE
Independent Non-Executive Chairman

主席致辞

凭借我们多年的施工记录和胜任能力，我们依然成功于上半财年在本地和下半财年在马来西亚取得多项合同，让集团转亏为盈。

尊敬的股东：

在截至2022年3月31日的财政年度里（“2022财年”），集团在新加坡和马来西亚两地的业务各自面对不同的营运挑战。在上半财年时，新加坡的建筑活动自国内逐渐放宽冠病疫情相关限制后开始回升，然而马来西亚的经济活动却因为遏制疫情发展而于2021年5月12日至2021年8月1日实施的行动管制令而受到影响。下半财年情况则相反，马来西亚解除行动管制令后建筑业开始复苏，而新加坡建筑服务需求却因为建筑材料价格走高而导致承包商延迟授予项目于包括集团在内的分包商。尽管如此，凭借我们多年的施工记录和胜任能力，我们依然成功于上半财年在本地和下半财年在马来西亚取得多项合同，让集团转亏为盈。

随着建筑活动回升，集团营业额从截至2021年3月31日的财政年度（“2021财年”）的1亿7830万元上升50.7%至2022财年的2亿6870万元，并于2022财年报70万元的股东应占净利润，

2021财年则为1100万元的股东应占净亏损。尽管2022财年里资本支出因总价值780万元的数项租凭产业等因素而提高，但凭借审慎的财务管理，集团现金状况仍旧维持良好，达3440万元。

年度回顾

集团本地业务活动主要来自公共设施项目和数项于2022财年上半年获得的跨国企业项目。然而，工人短缺和各国收紧边境管制措施导致供应链阻断造成一些项目延迟动工，从而影响集团的生产力。2022财年下半年，马来西亚结束行动管制后，我们也逐步完成疫情前所取得的项目。两国业务活动的恢复虽然提升了集团营业额，但利润率却因为建筑材料成本上涨而减少。因此，集团也更加谨慎地在新马两地投标新项目，以确保集团不会因为建筑材料价格波动而受到太大波及。

2021年7月份，集团旗下拥有55%的控股子公司THL Foundation Equipment私人有限公司增持ICE Far East私人有限公司的股份，从原有的85%提高至100%，这有助于巩固集团在基础设施设备贸易业务的市场地位。另外THL Foundation Equipment也于越南设立全资子公司，从事重型设备、机械、零件和相关消耗品的贸易和租凭业务，并提供维修和其他相关服务。这扩大了集团来自设备贸易方面的收入来源。

我们在这一年来也积极加强核心竞争能力，并同时管理资产利用和营运效率，以达到改善资产收益率和股本回报率。为了更有效的控制成本，集团成功向裕廊集团标得两块占地16300平方米的地段并获得临时占用许可证，以存放集团的重型设备和机械，租期为三年，预计这能为集团节省租金开销。集团也积极从市场回购集团股份，截至2022年3月31日，集团已回购4040万股普通股，占约集团股份的1.13%。另外，我们期待在即将举行的年度股东大会上获得股东的支持以更新股票回购授权。

展望未来

未来一年，除了当前的人力和原材料成本的运营挑战外，集团估计地缘政治不稳定和通货膨胀导致的供应链中断和其他成本问题将继续给集团带来挑战。值得庆幸的是，新加坡建设局预测 2022 年的建筑需求良好，介于 270 亿至 320 亿元之间。新加坡也正放松冠病疫情的措施，此举让集团对新加坡的建筑业前景持谨慎乐观的态度，而我们在马来西亚的生产力也在当地解除疫情封锁后稳定上升。

因私人领域需求的缺乏，建筑业内的合同竞争预计将持续维持激烈。建筑材料成本的上涨速度远超过投标价格的涨幅，我们将继续严格控管成本提高并谨慎选择投标项目。在地缘政治局势不确定的情况下，我们也会谨慎评估客户与合作伙伴的财务状况。

致谢

黄山忠先生于2021年8月回归集团董事会担任非执行董事，加强了董事会的理事能力。黄先生曾于2002年至2016年担任董事会成员，他在重型设备和工厂招聘业务方面拥有丰富的经验，是集团宝贵的指导和支持来源。管理团队方面，集团首席运营官兼首席可持续发展官邱俊昌先生对集团的贡献也获得认可，从2022年5月26日起，获晋升为集团副首席执行官。邱先生将继续兼任集团首席运营官兼首席可持续发展官的职务，并同时监管集团营销、运营和可持续发展事务。

我非常感谢董事会成员给予集团的无私见解与指导。我感激管理团队和员工在这一年来为集团付出的努力。最后，我也向股东、客户、商业和合作伙伴表示感激。大家对我们坚定不移的信任一直支撑着我们，督促让我们不断前进。

祝安康。

梁汉基博士
独立非执行主席

OUR PRESENCE IN MALAYSIA

PROVISION OF FOUNDATION ENGINEERING SERVICES IN MALAYSIA

PREVIOUS YEARS

Infrastructure projects
- Bukit Ria Mass Rapid Transit (MRT) Station and Klang Valley MRT (KVMRT)
  – Intervention Shaft at KL Sentral

Residential projects
- Service Apartments in Kuala Lumpur such as The Pano
- Mixed Developments at Selangor such as Equine Residence (Phase 1 & 2) and Alam Damai, Selangor such as GuoccoLand Malaysia (Phase 3 & 4)
- I-Santorini Condo at Tanjung Tokong, Penang
- Luxury Condominium - Alix Residence

Industrial projects
- Petronas Rapid Project in Pengerang
- Head-Quarters for Kossan Rubber Industries Sdn Bhd

Commercial projects
- Mixed Development at Kuala Lumpur such as Trion @ Sungei Besi
- Condominium in Selangor such as Emerald 9 @ Cheras
- IKEA Tebrau in Johor Bahru
- Sunway Healthcare Medical Center

Institutional projects
- Sunway International School

CURRENT YEAR

Infrastructure projects
- Earthwork, Retaining Wall, Main Drainage System, Flood Detention Pond for Eaton International School at Shah Alam, Selangor

Residential projects
- Condominium at Klang Valley area such as Pixel City Sentral (Parcels X, Y & Z),Trion 1 & 2, Altris (Plot 4), Alam Suria, Ruby SeaPark, Residensi Permai and Berlian Setapak 2 Residence
- Metro Cheras, a Transit Oriented Development at Selangor
- Cassia Residence at PutraJaya
- Residensi Pitta, a Mixed Development at Kuala Lumpur

Commerial projects
- Luxury Suite at Ampang for Platinum Victory Group
- Commercial Development at Klang Valley area such as Suria Garden and Alira @ Tropicana MetroPark
- Centro @ JBCC, a Commercial Strata Development at Jalan Yahya Awal, Johor Bahru

Institutional projects
- Sports Arena at Seremban, Negeri Sembilan

OUR PROJECTS IN SINGAPORE

MAJOR FOUNDATION AND GEOTECHNICAL ENGINEERING WORKS AWARDED TO CSC GROUP (SINGAPORE PROJECTS)

PREVIOUS YEARS

Infrastructure projects

- Mass Rapid Transit (MRT) Stations of:
  - Keppel for Circle Line 6;
  - Tanjong Katong, Sungei Bedok and Bayshore for Thomson East Coast Line; and
  - Choa Chu Kang, Choa Chu Kang West and Tengah for Jurong Region Line
- North South Corridor - Contracts N106, N110 & N111
- Kim Chuan Depot Extension for Circle Line 6
- Multi Storey Gali Batu Bus Depot (Contract DE 142)
- JTC Pipe Bridge / Pipe Support Structures at Jurong Island
- Lifts Shaft to existing Pedestrian Overhead Bridges (Contract DE 117)
- Additions & Alterations to existing Bishan Depot at 300 Bishan Road

Residential projects

- Public Housing Developments at Punggol East, Woodlands, Tengah Plantation Contract 4, Tengah Garden C1 & Common Green, Woodland N1C25, Tengah Drive & Tengah Park Ave/Tengah Park C8 and other townships in Singapore
- Private Housing Developments at Juniper Hill, Braddell Road, How Sun Drive, Kampong Java Road, Silat Avenue, Holland Road, Handy Road, Serangoon North Ave 1, Stirling Residences, Clementi Avenue 1 (CLAVON), Canberra Link, Fernvale Lane and Irwell Bank Road

Industrial projects

- Neste Singapore Expansion Project
- Micron FAB 10A at North Coast Drive
- Pfizer API Expansion Project at 31 Tuas South Avenue 6
- Existing Manufacturing Plant at Jurong Island
- Chemical Plant at Banyan Avenue
- Factory at Woodland Height
- Waste Water Treatment Plant at Tuas View Drive
- Multi-user Factory with Temporary Industrial Canteen at 29 New Industrial Road
- Sabic Saffron-B Feed at Benoi Road
- Ramp Up Warehouse Building at 2 Tanjong Penjuru Crescent

Commercial projects

- Data Centres at 51 Defu Lane 10, Loyang Drive (SIN 61) and Sunview Drive (SIN 67)
- Hotel Developments at 89 Short Street & Claymore Road
- Mandai Resort & New Bird Park at Mandai Lake Road
- Integrated JTC Development At Punggol Way (PDD)

Institutional projects

- Polyclinic at Chin Cheng Ave
- Nursing Home at Potong Pasir
- Singapore Institute of Technology Campus at Punggol North
- Urban Training Facility at Old Choa Chu Kang Road
- Chinese Temple Development at Northshore Drive
- Sports and Recreation Development at Coney Island
- Proposed Home Team Tactical Centre (Phase 2A) at Mandai Road
- Additions and Alterations to existing Conserved Buildings, The Octagon at Havelock Square for Family Justice Courts
- Home Team NS Clubhouse and Chalets at Bedok North Road

CURRENT YEAR

Infrastructure projects

- Construction of DLN Ramp and Tunnel at Bulim
- Bored tunnel between Aviation Park MRT Station and Loyang MRT Station on the Cross Island Line

Residential projects

- Public Housing Developments at Geylang C13 & C14, Pasir Ris N5 C26 & C27, Tengah Park C6, Kallang Whampoa C52 & C55, Tengah Garden C4 and other townships in Singapore
- Executive Condo Development at Yishun Close (North Gaia)
- Private Housing Development at Phoenix Road, Northumberland Road & Canberra Drive

Industrial projects

- Merlion at Woodlands Industrial Park D Street 2
- Pfizer API Expansion: Storage tank and milling building at Tuas South Avenue 7
- Siltronic FAB Building at Tampines Industrial Ave 4 and Ave 5
- Metallocene Catalyst Expansion Project (Met-X)
- Maxphalt Bitumen Project at Pulau Bukom
- Design and Construction of Piling Works For Sanofi Pasteur Evolutive Facility at Tuas Biochemical Park at Tuas South Street 2
- 8 Storey Hi-Tech Industrial Factory Building at Ang Mo Kio Ave 5
- MSD - MK5475 DPI Singapore Project
- Thermofisher - Project Merlion At 31 Joo Koon Circle
- Polycarbonate Development at 61 Seraya Road
- Soitec - CUB 2 Project at Pasir Ris Drive 1
- Lonza Utility Building Expansion
- Project Hawk Automation Floor for Caterpillar Asia Pte Ltd at 14 Tractor Road

Institutional projects

- Home Team Tactical Centre (Phase 2B)
- Additions & Alterations to Existing Braddell Heights Community Centre
- Additions & Alterations to Singapore American School at 40 Woodlands Street 41

PROPERTIES OF THE GROUP

AS AT 31 MARCH 2022

No.	Particulars	Tenure	Site Area (Sq m)	Approx Build-up area (Sq M)
1.	Leasehold land on Lot 04812A Mukim 7 at 15 Tuas South Street 6, Singapore 636913	20 years 9 months w.e.f 17 Feb 2015	4,700.0	3,178.5
2.	Leasehold industrial building on Lot MK7-672K at No. 13, Pioneer Sector 2, Singapore 628374	32 years w.e.f 1 Sep 1997 (Note 1)	3,037.1	694.1
3.	Freehold industrial land held under individual title GM 4789, Lot 808, Tempat Sungei Liam, Mukim Ulu Yam, Daerah Hulu Selangor (Note 2)	Freehold	21,549.0	21,549.0
4.	Leasehold industrial warehouse unit at 33 Ubi Avenue 3, #03-08 Vertex, Singapore 408868	60 years w.e.f. 1 Jan 2007	651	651
5.	Leasehold industrial building on Lot MK7-1461V at 4 Benoi Place, Singapore 629925	30 years w.e.f. 16 Jun 2001	7,501.1	4,000

Note:

1 Further leasehold term of 4 years 4 months from 1 September 2025 to 31 December 2029 for this property has been obtained from JTC Corporation on 30 April 2021.

2 The approval on conversion of land from agricultural land to industrial land has been obtained from Hulu Selangor Land and District Office, Malaysia on 9 April 2021.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Non-Executive
Dr Leong Horn Kee
(Chairman, Independent Director)

Ong Tiew Siam
(Independent Director)

Tan Hup Foi @ Tan Hup Hoi
(Independent Director)

Teo Beng Teck

Ng San Tiong Roland

Executive
See Yen Tarn
(Group Chief Executive Officer)

AUDIT COMMITTEE
Ong Tiew Siam
(Chairman)

Dr Leong Horn Kee

Tan Hup Foi @ Tan Hup Hoi

Teo Beng Teck

Ng San Tiong Roland

NOMINATING COMMITTEE
Tan Hup Foi @ Tan Hup Hoi
(Chairman)

Dr Leong Horn Kee

See Yen Tarn

REMUNERATION COMMITTEE
Tan Hup Foi @ Tan Hup Hoi
(Chairman)

Dr Leong Horn Kee

Ong Tiew Siam

Teo Beng Teck

Ng San Tiong Roland

RISK MANAGEMENT COMMITTEE
Ong Tiew Siam
(Chairman)

Teo Beng Teck

See Yen Tarn

COMPANY SECRETARIES
Hazel Chia Luang Chew

Juliana Tan Beng Hwee

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Fax : (65) 6225 1452

AUDITORS
KPMG LLP
Public Accountants and
Chartered Accountants
16 Raffles Quay, #22-00
Hong Leong Building
Singapore 048581

Audit Partner-in-Charge
Karen Lee Shu Pei
Appointed since financial year ended
31 March 2020

PRINCIPAL BANKERS
United Overseas Banking Limited

Oversea-Chinese Banking
Corporation Limited

DBS Bank Ltd

Maybank Singapore Limited

RHB Bank Berhad

CORPORATE MILESTONES

1975
Founding of Ching Soon Engineering Pte Ltd.

1981
Incorporation of CS Construction & Geotechnic Pte Ltd.

1996
Incorporation of CS Bored Pile System Pte Ltd.

Incorporation of CS Geotechnic Pte Ltd.

1997
Incorporation of CSC Holdings Limited.

1998
Listing of CSC Holdings Limited on the main board of the Singapore Exchange Limited.

Incorporation of CS Industrial Land Pte Ltd.

1999
Joint venture with Santarli Construction Pte Ltd to form Excel Precast Pte Ltd.

2000
Incorporation of Kolette Pte Ltd.

2002
Acquisition of THL Engineering Pte Ltd.

2004
Joint Venture with Tat Hong Group's subsidiary, Tat Hong HeavyEquipment Pte Ltd to form THL Foundation Equipment Pte Ltd.

2006
Incorporation of CS India Pte Ltd.

Acquisition of L&M Foundation Specialist Pte Ltd.

Incorporation of L&M Ground Engineering Sdn Bhd.

2007
Acquisition of G-Pile Sistem Sdn Bhd.

Acquisition of Soil Investigation Pte Limited.

2008
Incorporation of CSC Ground Engineering Sdn Bhd.

Acquisition of 70% equity stake in Wisescan Engineering Services Pte Ltd.

Incorporation of L&M Foundation Specialist (Vietnam) Limited Company.

Incorporation of L&M Foundation Specialist (Middle East) Limited Liability Company.

2009
Acquisition of 70% equity stake in Spectest Sdn Bhd.

Incorporation of GPSS Geotechnic Sdn Bhd.

2010
Acquisition of 30% stake in DW Foundation Pte Ltd.

Joint Venture with Pathumthani (PACO) to form Siam CSC Engineering Co., Ltd.

2011
Acquisition of 70% stake in ICE Far East Pte Ltd.

Acquisition of additional 40% stake in DW Foundation Pte Ltd.

Sale of Excel Precast Pte Ltd.

2012
Incorporation of ICE Far East (Thailand) Co., Ltd.

Acquisition of remaining 30% stake in CSC Ground Engineering Sdn Bhd.

Acquisition of remaining 30% stake in DW Foundation Pte Ltd.

Sale of Spectest Group.

2013
Incorporation of CS Ground Engineering (International) Pte Ltd.

Incorporation of ICE Far East Offshore Pte Ltd.

Investment of 5% in Joint Venture Company, THAB Development Sdn Bhd.

2014

Completion of voluntary liquidation (via strike-off) of CS India Pte Ltd.

Signing of the Framework Investment Agreement with New Hope Singapore Pte Ltd in connection with the acquisition and development of leasehold industrial land at Tuas South Street 9.

2015

Incorporation of CS Industrial Properties Pte Ltd, a wholly owned subsidiary of the Company, as the investment holding company for the joint venture with New Hope Singapore Pte Ltd.

Acquisition of additional 15% stake in ICE Far East Pte Ltd, making it an 85% owned subsidiary of THL Foundation Equipment Pte Ltd.

Investment of 49% in NHCS Investment Pte Ltd in relation to the joint venture with New Hope Group for the acquisition and development of leasehold industrial land at Tuas South Street 9.

Obtained shareholders' approval in the Extraordinary General Meeting for the diversification of business of the Group to include the property business.

Completion of renounceable non-underwritten rights cum warrants issue – (1) 1 rights issue share for 3 existing shares at 3 cents per rights share; (2) 5 free warrants for 1 rights share, exercise price at 1 cent per warrant share.

Incorporation of IMT-THL India Private Limited, a wholly owned subsidiary of THL Foundation Equipment Pte Ltd.

Completion of voluntary liquidation (via strike-off) of CS Industrial Land Pte Ltd.

2016

Sale of L&M Philippines, Inc.

Incorporation of CS Real Estate Investments Pte Ltd.

Acquisition of remaining 35% stake in GPSS Geotechnic Sdn Bhd, making it a wholly owned subsidiary of the Group.

Incorporation of THL Foundation Equipment (Philippines) Inc, a wholly owned subsidiary of THL Foundation Equipment Pte Ltd.

Investment of 40% in Top3 Development Sdn Bhd in connection with a proposed commercial development in Seremban, Negeri Sembilan, Malaysia.

Investment in a property development in Hertford via a 21% investment in Coriolis Hertford Limited ("CHL"), a company incorporated in Hong Kong. CHL has a 40% stake in Railway Street Hertford Limited, the property development company which will carry out the development in Hertford.

Incorporation of THL Foundation Equipment (Myanmar) Company Limited, a 90% owned subsidiary of THL Foundation Equipment Pte Ltd.

2017

Sale of Siam CSC Engineering Company Limited.

Dilution of equity interest in WB Top3 Development Sdn Bhd ("WB Top3") (formerly known as Top3 Development Sdn Bhd) from 40% to 19% resulting from the introduction of WB Land Sdn Bhd as a new joint venture partner in WB Top3.

2018

Incorporation of Coldhams Alliance Pte Ltd, 2TPC Pte Ltd and 2TPC Investments Pte Ltd.

2019

Striking off of Kolette Pte Ltd.

Incorporation of Changsha THL Foundation Equipment Co. Ltd.

2020

Dilution of equity interest in 2TPC Investments Pte Ltd ("2TPC Inv") from 100% to 51% resulting from the introduction of LSLV 5 Project 6 Pte Ltd and LSLV 2 General Partner as joint venture partners in 2TPC Inv to jointly redevelop 2 Tanjong Penjuru Crescent, Singapore 608968, an existing four-storey industrial property into a modern six-storey ramp up warehouse.

2021

Striking off of ICE Far East Offshore Pte Ltd.

Incorporation of THL Vietnam Company Limited.

Acquisition of additional 15% stake in ICE Far East Pte Ltd, making it a 100% owned subsidiary of THL Foundation Equipment Pte Ltd.

Acquisition of remaining 52.5% stake in Coldhams Alliance Pte Ltd

GROUP CEO'S STATEMENT

GROSS PROFIT IMPROVED TO $27.7 MILLION, COMPARED TO $10.9 MILLION IN THE PREVIOUS FINANCIAL YEAR, WHILE GROSS PROFIT MARGINS IMPROVED TO 10.3% IN FY22, COMPARED TO 6.1% IN FY21.

Dear Shareholders,

Emerging from the troughs of the Covid-19 pandemic, the financial year ended 31 March 2022 ("FY22") marked a year of gradual but patchy recovery in Singapore and Malaysia. In Singapore, the improvement in business activity in first half of the financial year ended 31 March 2022 ("1HFY22") was halted by manpower shortage in the latter half of the financial year. In Malaysia, our operations were impacted by the suspension of most economic activities as a result of a third movement control order in the country from 12 May to 31 May 2021, followed by a nationwide lockdown from 1 June to 1 August 2021. The resumption of economic activities in second half of the financial year ended 31 March 2022 ("2HFY22") nevertheless helped to mitigate the impact of the slowdown in Singapore in the same period.

FINANCIAL REVIEW

On the back of higher year-on-year activities, we recorded a 50.7% increase in revenue to $268.7 million, compared to $178.3 million in the financial year ended 31 March 2021 ("FY21"). Gross profit improved to $27.7 million, compared to $10.9 million in the previous financial year, while gross profit margins improved to 10.3% in FY22, compared to 6.1% in FY21. These improvements took into account a sharp reduction of 63.8% in Covid-19 Government support grants, from $8.1 million in FY21 to $3.0 million in FY22 as well as cost pressures faced by the Group, from higher material and fuel costs as a result of global supply chain disruptions and geopolitical instability.

Other income for FY22 amounted to $1.7 million, compared to $3.9 million in FY21. The significantly higher income in FY21 included a gain of $2.8 million from the disposal of a leasehold property at 2 Tanjong Penjuru Crescent to a joint venture between CSC and LOGOS group. For FY22, other income mainly comprised gains from the disposal of older equipment and scrap steel, as we took advantage of the higher steel prices to generate scrap steel sales.

In spite of the recovery in construction and equipment trading activity, operating expenses increased a marginal 5.1% to $26.9 million, from $25.6 million in FY21, reflecting the success of our Group-wide cost-management measures, including salary reduction and mandatory clearance of annual leave. FY22 operating expenses also included a $1.1 million foreign exchange loss, compared to $0.8 million in FY21, in view of the strengthening of the Chinese Renminbi against the Singapore Dollar in relation to payments to suppliers in China during the financial year.

We received $0.9 million in grants under the Job Support Scheme and foreign worker levy rebates, which helped to defray operating costs in FY22.

Net finance expenses increased to $1.3 million, from $1.2 million in FY21, as we took on new finance loans for project financing and acquisition of equipment.

On account of the above, we recorded a return to profitability with net profit attributable to shareholders of $0.7 million in FY22, which was a marked turnaround from the $11.0 million net loss recorded in FY21.

Our cash position remained healthy, with cash and cash equivalents standing at $34.4 million as at 31 March 2022, similar to $34.6 million as at the end of the preceding financial year.

In FY22, we bought back 40.4 million ordinary shares for an aggregate purchase consideration of $0.6 million. This brings the total number of ordinary shares in our treasury as at 31 March 2022 to 60.9 million, with a carrying value of $2.9 million.

As at end-FY22, the Group's equity stood at $145.6 million, compared to $147.7 million as at 31 March 2021. Net asset value per ordinary share, at 4.1 cents, was consistent with the previous financial year.

OPERATIONS REVIEW

Our activities in FY22 were a contrasting tale of two countries. In Singapore, we were able to resume work when pandemic containment measures began to ease from April 2021. We managed to complete several public infrastructure projects, as well as projects for multinational corporations in the pharmaceutical and semiconductor industries, in 1HFY22, even while dealing with safe management and other measures. Nevertheless, we were hamstrung by a country-wide worker shortage, which limited our progress in 2HFY22. The situation reversed in Malaysia – our operations in Malaysia were severely impacted by a two-week movement control order in May 2021 and a two-month nationwide lockdown spanning 1 June to 1 August 2021, but the situation began to improve in 2HFY22 as the Malaysian government eased measures. Nevertheless, shortage of skilled labour is a common theme across both countries.

Drawing on our experience from previous construction downturns, we kept a tight rein on our expenditure and managed our project margins, by prudently tendering for suitable projects to ensure viable cash flow. In all, we leveraged our market position and capabilities to secure about $230 million worth of projects during the year, with public sector projects in Singapore forming the bulk of it by value. Our capability in complying with the more stringent requirements of high-value pharmaceutical and semiconductor industrial facilities also gave us an edge in securing notable contracts from industrial multi-national corporations. Some of these projects thus secured in FY22 include:

Infrastructure projects
- DLN ramp and tunnel at Bulim
- Bored tunnel between Aviation Park MRT station and Loyang MRT station on the Cross Island Line

Industrial projects
- Globalfoundries semiconductor fabrication facility: CUB and admin building (Package 1 and Package 3) and gas yard at Woodlands Industrial Park D
- Pfizer API expansion: storage tank and milling buiding at Tuas South Avenue 7
- Siltronic semiconductor fabrication facility: factory at Tampines Industrial Avenue 4 and 5 (Package 1) and Fab Next
- Thermo Fisher Scientific new facility at 31 Joo Koon Circle
- Sanofi evolutive vaccine facility at Tuas South Avenue 5

GROUP CEO'S STATEMENT

Residential projects
- Public housing developments at Pasir Ris N5 C26 & 27, Tengah Drive, Tengah Park C6, Tengah Garden C4, Geylang C13 and C14, Kallang Whampoa C55
- Executive condominium development at Yishun Close
- Trion 1 & 2 at Sungai Besi, Kuala Lumpur, Malaysia
- Metro Cheras at Cheras, Kuala Lumpur, Malaysia
- Parcel X, Y and Z of Pixel City Sentral at Bandar Sri Permaisuri, Kuala Lumpur, Malaysia

Mixed-use / commercial projects
- R Suite Chancery Residences, a mixed-use hotel and restaurant, at Ampang, Kuala Lumpur, Malaysia
- Alira @ Tropicana Metropark at Subang Jaya, Selangor, Malaysia
- Centro@JBCC at Johor Bahru, Johor, Malaysia
- Suria Garden at Puchong, Selangor, Malaysia
- Residensi Pitta at Cheras, Kuala Lumpur, Malaysia

Institutional projects
- Additional and alteration works at Singapore American School
- Eaton International School at Shah Alam, Selangor, Malaysia
- Sports Arena at Seremban, Negeri Sembilan, Malaysia

Our equipment trading and leasing business recorded an improvement in revenue as demand for such equipment and machinery rose with the gradual industry recovery. Through THL Foundation Equipment Pte Ltd ("THLFE"), our 55%-owned trading arm, we increased our effective stake in ICE Far East Pte Ltd from about 46.8% to 55%. With THLFE having also incorporated a wholly owned trading business in Vietnam, our income stream from the equipment and leasing business is expected to be further enhanced.

DRIVING INNOVATION

Forging ahead with our innovation projects, we have successfully developed a quicker and more efficient method to install reinforced concrete (RC) piles. The project has received approval from the Building Construction Authority (BCA) and we are currently conducting field tests. We are on track to attain the relevant patent certification in Southeast Asia. This latest innovation follows patents we received for two inventions in FY21, namely, the RC pile handler and the mobile site reporting (MSR) system. Collectively, our push to develop innovative productivity and safety solutions help us reduce operating costs and increase productivity, which are crucial in building resilience in challenging times.

LOOKING AHEAD

The easing of Covid-19 containment measures in Singapore and Malaysia was a welcome relief, after more than two years of dealing with the pandemic. As we transition to living with the virus, the resumption in activity across the construction industry has led to the Building and Construction Authority (BCA) forecasting demand for construction services of between $27 billion and $32 billion in 2022, and between $25 billion and $32 billion annually from 2023 to 2026.

Projects that had been postponed in the past year are expected to be reintroduced this year – with public infrastructure and housing and large-scale multinational corporation projects driving demand for construction services. Nevertheless, the volatility of labour costs and construction material prices has resulted in developers adopting a cautious approach towards awarding contracts, in order to protect their margins.

The increase in foreign worker inflow since 2021 has provided some relief to the manpower shortage situation, but we expect the impending progressive increase in Foreign Worker Levy from September 2022 to September 2025 will further increase the foreign workers levies.

For CSC, we will seek to optimise our resource utilisation by selectively tendering for projects that can yield sustainable margins. We will also prioritise capital and cash flow management to strengthen our financial fundamentals, and focus on innovation to enhance our competitiveness and market position.

The temporary occupation permit for the redeveloped building at Tanjong Penjuru Crescent, which was jointly redeveloped in partnership with LOGOS Group has been received in April 2022. Having operated from Pioneer Road for the past two years, we are looking forward to relocating our headquarters back to Tanjong Penjuru Crescent in the third quarter of this year.

ACKNOWLEDGEMENTS

I am grateful to my fellow colleagues, who have demonstrated immense dedication and resilience over the past year. I am also thankful for my fellow Board members, who have supported the Group with their experience and counsel. Our business partners, customers and shareholders have also supported and believed in us and I am thankful.

I look forward to continue building a stronger, sustainable business with you.

SEE YEN TARN
Group Chief Executive Officer

集团首席执行官致辞

毛利从2021财年的1090万元上升至2022财年的2770万元，而毛利率也从上一财年的6.1%上扬至2022财年的10.3%。

尊敬的股东：

经历了2019冠状病毒疫情的低潮后，在截至2022年3月31日的财政年度（"2022财年"）新加坡和马来西亚两国经济虽然开始复苏但复苏进度不同。新加坡经济活动经历了上半财年的回升后，在下半财年面对劳动力短缺影响而放缓。而马来西亚方面，大部分经济活动因为2021年5月12日至5月31日第三度实施的行动管制令，以及于2021年6月1日至8月1日实施的全国封锁而被迫暂停，这影响了我们在马来西亚的业务。2022财年下半年，马来西亚经济活动开始回升，减轻了新加坡在同个时期因业务活动放缓所带来的影响。

财务回顾

随着2022财年里集团业务活动同比提高，集团也在2022财年里取得50.7%的营业额增长，达2亿6870万元，截至2021年3月31日的上一财政年度（"2021财年"）则为1亿7830万元。毛利从2021财年的1090万元上升至2022财年的2770万元，而毛利率也从上一财年的6.1%上扬至2022财年的10.3%。尽管如此，政府给予的疫情相关补贴同比减少63.8%，从前一财年的810万元减少至2022财年的300万元，加上全球供应链中断和地缘政治不稳定导致材料和燃料价格走高，都给集团带来了成本压力。

其他收入在2022财年里达170万元，2021财年则为390万元。2021财年里的其他收入相较2022财年高，这主要归因于将位于丹戎本茱鲁弯二号的租凭土地脱手给集团和LOGOS集团共同拥有的合资公司后的所得约280万元收益。2022财年的其他收入主要包含出售陈旧设备以及我们趁废钢价格上涨出售废钢所收到的收益。

尽管建筑和设备贸易活动普遍恢复，集团的营运开支从2021财年的2560万元小幅度上升5.1%，至2022财年的2690万元，这反映了集团实施的一系列成本控制措施颇有成效，这些措施包括减薪和强制使用年假。2022财年的营运开支还包含了110万元的外汇亏损，相较2021财年的80万元高，这主要归因于人民币汇率走势比新币强，以致于集团需以更多的款项支付中国供应商。

另外集团也获得来自雇佣补贴计划和外劳税回扣总值90万元的津贴，帮助抵消2022财年的部分营运开支。

集团为项目融资和购入设备取得了新的融资贷款，导致净财务开支从2021财年的120万元提高至2022财年的130万元。

基于以上因素，集团于2022财年转亏为盈，报70万元的股东应占净利润，2021财年则为1100万元的股东应占净亏损。

集团的现金状况良好，现金与现金同等物于2022年3月31日为3440万元，与2021财政年底的3460万元相当。

在2022财年里，集团以60万元回购了4040万股普通股。这使我们截至2022年3月31日的库存普通股总数达到6090万股，账面价值为290万元。

截至2022财年底，集团的股本为 1亿4560万元，而截至2021年3月31日为1亿4770万元。每股普通股净资产值为4.1分，与上一财年一致。

业务回顾

在2022财年里，集团在新马两国的业务虽有恢复，但进度形成对比。在新加坡，自2021年4月份开始放宽疫情管制措施后，集团在2022财年上半年在实施疫情安全管理措施的当儿完成了数项公共基础设施项目，以及制药和半导体跨国公司在本地的设施开发项目。然而，我们在2022财年下半年的施工进度因为本地劳动力短缺而受到了影响。马来西亚的情况则相反，我们在当地的业务受到了 2021 年 5 月为期两周的行动管制令和 2021 年 6 月 1 日至 8 月 1 日为期两个月的全国封锁的严重影响，但情况在2022财年下半年因马来西亚政府放宽了措施而开始有了好转。然而，熟练劳动力短缺是两国共同面对的问题。

集团度过数次建筑业不景气时期并从中汲取了经验。在2022财年里集团继续收紧开支，审慎投标适合的项目并严格管理项目利润率以确保良好的现金流。我们凭借市场地位和施工能力在2022财年里承接了总价值达2亿3000万元的项目，其中以来自新加坡的公共项目居多。我们有能力遵守高价值制药和半导体工业设施严格的要求，这使我们在获得工业跨国公司的重要合同方面占了优势。我们在2022财年承接的一些主要项目包括：

基础设施项目

- 位于武林的DLN坡道和隧道
- 跨岛线的航空园地铁站和罗央地铁站之间的隧道

工业项目

- 位于兀兰工业园D的格芯半导体制造设施的CUB和行政大楼（配套1和3）和电子气体储存设施
- 辉瑞活性药物成分工厂位于大士南7道的药物储存和铣削设施
- 创电子材料导体位于淡滨尼工业4和5道的制造设施（配套1）和Fab Next设施
- 赛默飞世尔科技位于裕群圈31号的新设施
- 赛诺菲位于大士南5道的进化疫苗设施

住宅项目
- 位于巴西利N5 C26 和 27、登加通道、登加公园C6、登加园林C4、芽笼C13 和C14、加冷黄埔C55等市镇的公共住宅项目
- 位于义顺弄的执行共管公寓项目
- 位于马来西亚吉隆坡新街场的Trion 1 和 2
- 位于马来西亚吉隆坡蕉赖的Metro Cheras公寓项目
- 位于马来西亚吉隆坡蕉赖皇后镇的Pixel City Sentral 公寓的Parcel X, Y 和 Z

混合项目 / 商业项目
- 位于马来西亚吉隆坡的酒店和餐馆混合项目R Suite Chancery Residences
- 位于马来西亚雪兰莪梳邦再也的Alira@Tropicana Metropark
- 位于马来西亚柔佛新山的Centro@JBCC
- 位于马来西亚雪兰莪蒲种的Suria Garden
- 位于马来西亚吉隆坡蕉赖的Residensi Pitta

机构项目
- 位于新加坡的美国国际学校装修改建项目
- 位于马来西亚雪兰莪州莎阿南的伊顿国际学校
- 位于马来西亚森美兰州芙蓉市的运动场设施

我们的设备贸易及租赁业务收入在2022财年里同比有所改善，这主要归因于建筑业开始复苏，对此类设备和机械的需求增加。通过我们拥有 55% 的贸易部门 THL Foundation Equipment Pte Ltd（“THLFE”），我们将集团在 ICE Far East Pte Ltd 的有效股权从约 46.8% 增加到 55%。THLFE在越南成立了全资贸易业务，来自设备和租赁业务的收入来源有望进一步增加。

推动创新
集团在这一年来继续推动创新，成功开发出以更快捷更有效率的方式安装钢筋混凝土桩（即RC桩）。我们所开发的安装方式已获得新加坡建设局的批准，目前正进行实地测试，也正陆续在东南亚各国申请相关专利认证中。此次的开发新的RC桩安装方式是自前一财年所研发的两项创新项目即移动式工地报告系统和 RC 桩处理机之后，再次展现集团推动创新的能力。此开发有助于提高创新生产力和改善施工安全性，并且降低成本提升整体生产效率，帮助集团在艰难时期增强韧性。

展望未来
经过与冠病疫情的两年作战后，新加坡和马来西亚放松疫情遏制措施让建筑业终于得以松了一口气。在与病毒共存的当下，随着建筑业逐渐复苏，新加坡建设局预测2022年全年建筑服务需求将介于270亿元至320亿元，2023至2026年之间将介于250至320亿元之间。

过去一年因疫情而延迟的建设项目预计将陆续在今年动工，而带动建筑服务需求的项目预计来自公共基础设施以及大型跨国公司项目。尽管如此，劳动力成本和建筑材料价格上调促使承包商为了维护自身利润率而更谨慎地把项目授予给分包商。

尽管2021年以来外国劳动力开始回流，稍微缓解了劳动力短缺的问题，但我们预计政府从2022年9月至2025年9月期间逐步调高的外劳税收将给集团的人力成本带来上升压力。

集团将在未来一年里继续严格筛选所投标的项目，以承接能维护集团利润率的项目并善用原有资源。我们也将继续着重资本和现金流管理，以巩固财务基础，并继续推动创新来加强自身的市场竞争力和地位。

集团与LOGOS集团合资重新开发位于丹戎本茱鲁弯的总部已于2022年4月获得临时入伙准证。两年前，集团总部暂时搬至先驱路，我们期待今年第三季迁回丹戎本茱鲁弯。

致谢
我非常感谢集团同事们在过去一年中展现出极大的奉献精神和毅力，也感激董事成员以他们的经验与指导支持集团。我也想对合作伙伴，客户和股东给予集团的支持和信任表示感谢。

我期待与您继续创造一个更强大和更有持续力的业务。

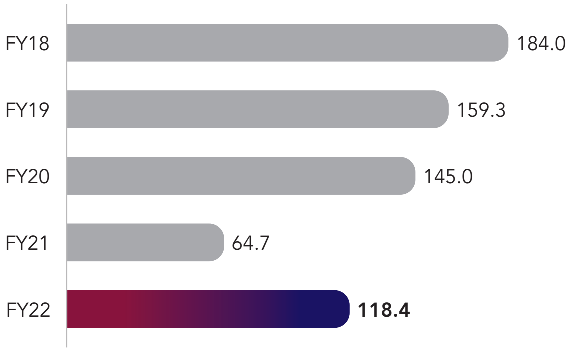
薛献凡
集团首席执行官

FIVE YEARS FINANCIAL SUMMARY

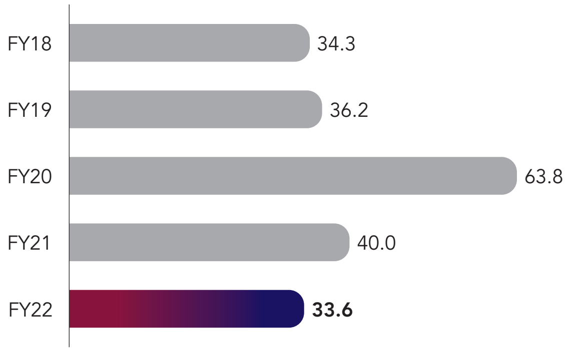
	FY18	FY19	FY20	FY21	FY22
Group Profit & Loss (S$'m)					
Revenue	338.8	323.1	342.8	178.3	268.7
Gross Profit	11.2	15.0	44.2	10.9	27.7
(Loss)/Profit After Tax	(13.5)	(18.0)	7.3	(12.4)	0.6
EBITDA	14.8	9.4	40.8	15.1	27.2
Group Balance Sheet (S$'m)					
Property, Plant & Equipment	156.2	137.1	132.5	125.0	128.6
Other Non-Current Assets	17.0	20.7	29.1	24.3	26.8
Total Current Assets	161.8	195.6	203.0	176.2	188.7
Total Assets	335.0	353.4	364.6	325.5	344.1
Total Equity	159.4	142.4	151.6	147.7	145.6
Other Non-Current Liabilities	23.1	19.5	18.0	19.8	39.0
Total Current Liabilities	152.5	191.5	195.0	158.0	159.5
Total Equity & Liabilities	335.0	353.4	364.6	325.5	344.1
Per Share Data (Cents)					
(Loss)/Earnings After Tax (Basic)	(0.65)	(0.86)	0.23	(0.37)	0.02
Net Asset Value	7.20	6.10	5.84	4.14	4.13
Financial Ratios					
Return on Equity	-10.3%	-15.6%	4.7%	-9.0%	0.6%
Gross Profit Margin	3.3%	4.6%	12.9%	6.1%	10.3%
Debt/Equity Ratio	50.4%	72.1%	58.0%	51.9%	63.2%
Current Ratio	1.06	1.02	1.04	1.11	1.18

FINANCIAL HIGHLIGHTS

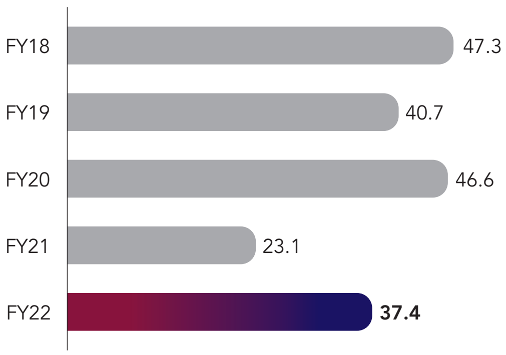
BORED PILES / DIAPHRAGM WALLS



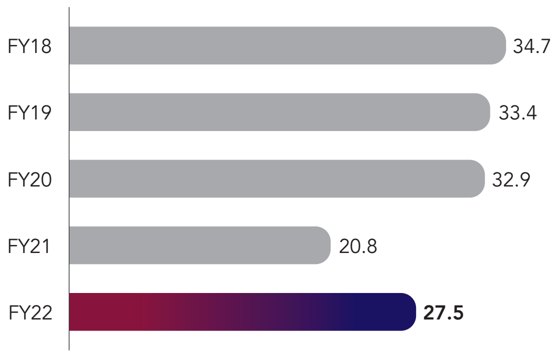
DRIVEN PILES / JACK - IN PILES



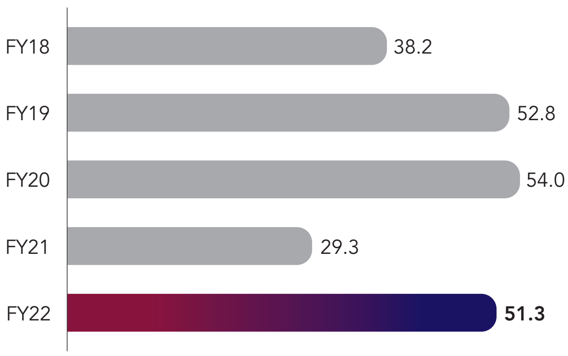
MICRO PILES / OTHER FOUNDATION - RELATED ACTIVITIES



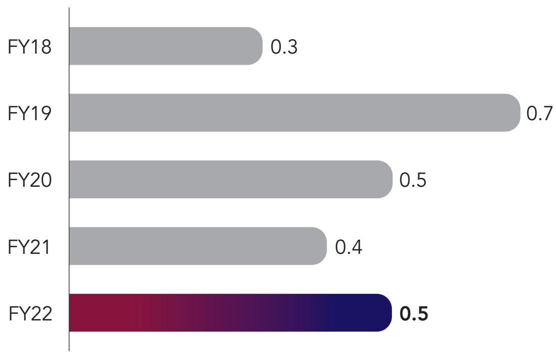
SOIL INVESTIGATION & INSTRUMENTATION WORKS



SALE & LEASE OF FOUNDATION ENGINEERING EQUIPMENT & ACCESSORIES



OTHERS



CORPORATE STRUCTURE

CSC HOLDINGS LIMITED

FOUNDATION AND GEOTECHNICAL ENGINEERING WORKS

Subsidiaries

Singapore
- CS Bored Pile System Pte Ltd
- CS Construction & Geotechnic Pte Ltd
- L&M Foundation Specialist Pte Ltd
- DW Foundation Pte Ltd
- CS Geotechnic Pte Ltd
- THL Engineering Pte Ltd

Malaysia
- Borneo Geotechnic Sdn Bhd
- G-Pile Sistem Sdn Bhd
- GPSS Geotechnic Sdn Bhd
- CS Geo (Malaysia) Sdn Bhd
- L&M Ground Engineering Sdn Bhd
- CSC Ground Engineering Sdn Bhd

Vietnam
- L&M Foundation Specialist (Vietnam) Limited Company

SOIL INVESTIGATION, INSTRUMENTATION AND SPECIALISED SURVEYING WORKS

Subsidiaries

Singapore
- Soil Investigation Pte Limited
- Wisescan Engineering Services Pte Ltd

SALES AND LEASE OF FOUNDATION ENGINEERING EQUIPMENTS AND ACCESSORIES

Subsidiaries

Singapore
- THL Foundation Equipment Pte Ltd
- ICE Far East Pte Ltd

Malaysia
- ICE Far East Sdn Bhd

Hong Kong
- ICE Far East (HK) Limited

Thailand
- ICE Far East (Thailand) Co., Ltd

India
- IMT – THL India Private Limited

Philippines
- THL Foundation Equipment (Philippines) Inc

Myanmar
- THL Foundation Equipment (Myanmar) Company Limited

China
- Changsha THL Foundation Equipment Co., Ltd

Vietnam
- THL Vietnam Company Limited

OTHERS

Subsidiaries

Singapore
- Coldhams Alliance Pte Ltd
- CS Industrial Properties Pte Ltd
- CS Real Estate Investments Pte Ltd
- CS Ground Engineering (International) Pte Ltd

Joint Operations

Singapore
- NHCS Investment Pte Ltd
- NH Singapore Biotechnology Pte Ltd

Associates

Singapore
- 2TPC Investments Pte Ltd
- 2TPC Pte Ltd

Malaysia
- WB Top3 Development Sdn Bhd

Hong Kong
- Coriolis Hertford Limited

UK
- Railway Street Hertford Ltd
- Allunite Limited

Other Investments

Malaysia
- THAB Development Sdn Bhd
- THAB PTP Sdn Bhd

BOARD OF DIRECTORS

DR LEONG HORN KEE

SEE YEN TARN

ONG TIEW SIAM

TAN HUP FOI @ TAN HUP HOI

NG SAN TIONG ROLAND

TEO BENG TECK

DR LEONG HORN KEE
Independent Non-Executive Chairman

Dr Leong joined the Board as an Independent Non-Executive Chairman in July 2018. He is a member of the Audit, Remuneration and Nominating Committees. He has over 35 years of experience in both the public sector in economic planning, trade and investments, and in the private sector in corporate finance, venture capital, merchant banking, hotels, property development and management. He served as a Member of Parliament for 22 years from 1984 to 2006. Currently, he serves as Singapore Non-Resident Ambassador to Argentina from 2021.

Dr Leong holds a degree (Honours) in Production Engineering from Loughborough University, UK; a degree (Honours) in Economics from the University of London, UK, a degree in Chinese Language and Literature from Beijing Normal University, a Master of Business Administration degree from INSEAD, France as well as a Master in Business Research and a Doctorate in Business Administration from University of Western Australia.

SEE YEN TARN
Executive Director /
Group Chief Executive Officer

Mr See joined the Board as an Independent Director in November 2005. He was appointed Group Chief Executive Officer in August 2006. Mr See sits on the Nominating and Risk Management Committees.

He graduated with Bachelor degree in Accountancy from the National University of Singapore in 1981. Mr See worked in London from 1981 to 1985, during which he qualified as a Chartered Accountant (England and Wales) in 1985.

Mr See has more than 30 years of working experience at senior management level in various industries and has held such positions as Chief Financial Officer, Executive Director and Deputy Group Managing Director for both listed and non-listed entities in Singapore, Indonesia, Hong Kong, People's Republic of China and Australia.

ONG TIEW SIAM

Independent Director

Mr Ong joined the Board as an Independent Director in July 2018. He chairs the Audit and Risk Management Committees and is also a member of the Remuneration Committee. Mr Ong has over 40 years of experience in finance, accounting and administration. Mr Ong also sits on the board of other SGX-listed companies.

Mr Ong holds a Bachelor of Commerce (Accountancy) (Honours) degree in 1975 from the former Nanyang University, Singapore. He is also a fellow member of the Institute of Singapore Chartered Accountants and a member of the Singapore Institute of Directors.

TAN HUP FOI @ TAN HUP HOI

Independent Director

Mr Tan joined the Board as an Independent Director in April 2006. He is the Chairman of the Nominating Committee and the Remuneration Committee and is a member of the Audit Committee. He is the Honorary Vice-President of the International Association of Public Transport (UITP) and Honorary Chairman of UITP Asia-Pacific Division.

Mr Tan has over 30 years experience in the transport industry. He was the Chief Executive of Trans-Island Bus Services Ltd from 1994 to 2005 and also the Deputy President of SMRT Corporation Ltd from 2003 to 2005.

A Colombo Plan scholar, Mr Tan graduated from Monash University in Australia with a First Class Honours degree in Mechanical Engineering in 1974 and he obtained a Master of Science (Industrial Engineering) degree from University of Singapore in 1979. Mr Tan was awarded the Pingat Bakti Masyarakat (Public Service Medal) in 1996 and Bintang Bakti Masyarakat (Public Service Star) in 2008 by the President of Republic of Singapore.

NG SAN TIONG ROLAND

Non-Executive Director

Mr Ng joined the Board as a Non-Executive Director in September 2002 for 13 years. Mr Ng re-joined the Board as a Non-Executive Director in August 2021. He is a member of the Audit and Remuneration Committees.

Mr Ng graduated from Loughborough University of Technology, United Kingdom with a Bachelor of Science (Honours) degree in 1976. In the same year, he started his career in Jurong Town Corporation as a Civil Engineer. In 1979, Mr Ng joined Tat Hong Group and was appointed Group Chief Executive Officer in 1991. Under his stewardship, Tat Hong Group grew into one of the largest crane rental companies in the world. With some 35 years of experience in the heavy equipment and plant hiring business, Mr Ng bears overall responsibility for Tat Hong Group as well as strategy formulation, corporate planning, business development and potential acquisitions. He also oversees Tat Hong Group's business operations in Australia, the tower crane rental business in China as well as Tat Hong Group's investment business.

Mr Ng serves in many public and civic institutions in Singapore. He is a Member of the Board of Trustees of Chinese Development Assistance Council (CDAC); the Board of Directors of Business China; Vice Chairman of the China & North Asia Business Group (CNABG) of Singapore Business Federation; and a Director on the Board of Singapore Press Holdings Foundation.

Mr Ng was awarded the Public Service Medal (PBM) in 2002, Public Service Star (BBM) in 2010 and Public Service Star (Bar) BBM(L) for his significant public service in Singapore in 2020. He was appointed Justice of the Peace (JP) in September 2015.

Mr Ng served as Singapore's Non-Resident Ambassador to the Democratic Republic of Timor-Leste for three years since 2019 and was the President of the 59th & 60th Councils of Singapore Chinese Chamber of Commerce & Industry (SCCCI), an apex body of the Chinese business community in Singapore. He has also served the Toa Payoh Central Citizens' Consultative Committee as Chairman between 2008 and 2020 and continues to serve the community as its Patron.

TEO BENG TECK

Non-Executive Director

Mr Teo joined the Group as a Non-Executive Director in November 2003 and was appointed as an Executive Director on 15 January 2007. Mr Teo had relinquished his role as an executive director on 1 April 2011 and now serves the Company as a non-executive director. Mr Teo is currently a member of the Audit, Remuneration and Risk Management Committees.

He has more than 40 years of experience in engineering and construction in both public and private sectors. He holds a Bachelor of Engineering and a Master of Science in Construction Engineering from The University of Singapore. Mr Teo is also a Chartered Secretary and holds memberships with several professional bodies relating to management and logistic services.

KEY MANAGEMENT


SEE YEN TARN


KOO CHUNG CHONG


YEN CHEE LOONG


LIM YEOW BENG


GWEE BOON HONG


NICOLA HO YOKE FONG


SUN YUEJUN


WAN BAO YUAN, MAX


JI YONGXUN

KELVIN CHUE MUN WAI

LOH BOON CHONG

LIM YONG KENG DANNY (LIN YONGQING)

PHOON SOO HIN

NG KAI FU, JEFFREY

CHUA KENG GUAN

LAWRENCE CHONG JONG AN

NG SUN OH

KAAN CHI LOONG

LIM LEONG KOO

KEY MANAGEMENT

MANAGEMENT

SEE YEN TARN
Executive Director / Group Chief Executive Officer

Mr See is also the Executive Director of the Board of Directors of the Company. Please refer to page 32 of the Annual Report for his profile under the Board of Directors' section.

KOO CHUNG CHONG
Group Deputy Chief Executive Officer / Group Chief Operating Officer / Chief Sustainability Officer

Mr Koo has been with the Group since 1996. He joined the Group as Senior Project Engineer and rose through the ranks of the Group. Mr Koo is currently holding the appointments of the Group Deputy Chief Executive Officer ("Group DCEO"), (since May 2022), Group Chief Operating Officer ("Group COO") (since June 2016) and Chief Sustainability Officer ("CSO") (since August 2021). As the Group DCEO, Group COO and CSO, Mr Koo will be responsible for marketing, operational and sustainability matters of the Group.

Mr Koo has more than 27 years of work and management experience in foundation engineering industry in both Singapore and regional market. He was a former Council Member of Singapore Contractor Association (SCAL). He holds a Bachelor degree (Hons) in Engineering (Civil & Structural) from the University of Sheffield, England.

YEN CHEE LOONG
Group Chief Financial Officer ("Group CFO")

Mr Yen joined Singapore Foundation Engineering Group ("SFEG") as Assistant Finance Manager in April 2010 and rose through the ranks of the Group. He was promoted to Financial Controller to take charge of SFEG. SFEG accounts for 70% of the Group's business activities. He was subsequently promoted to Deputy Group Chief Financial Officer to assist Group CFO on the Group's corporate finance activities.

In February 2021, Mr Yen was promoted to the position of Group CFO.

Mr Yen has more than 15 years of working experience in the field of finance, accounting, tax and audit. He holds a Bachelor degree in Accountancy from Nanyang Technological University, Singapore. He is also a qualified Chartered Accountant of Singapore.

CENTRALISED SUPPORT

LIM YEOW BENG
Director, Contracts

Mr Lim joined the Group as General Manager, Contracts & Legal in January 2003. In April 2017, he was appointed as Director, Contracts, overseeing the management of Contract Department as well as advising all legal, insurance and contract related matters of the Group. He has more than 30 years experience in this field.

GWEE BOON HONG
Director, Technical

Mr Gwee joined the Group when the Group acquired L&M Foundation Specialist Pte Ltd in November 2006. He was promoted to Director, Technical in April 2017 overseeing the management and operation of Technical Department.

He holds a Bachelor degree in Engineering (Civil) and a Master degree in Engineering from the National University of Singapore in addition to a Certified Diploma in Accountancy and Finance from ACCA. He is currently a registered Professional Engineer (Civil & Geotechnical) in Singapore. He has more than 25 years of design and construction experience in geotechnical engineering works in Singapore as well as in the South East Asia region.

NICOLA HO YOKE FONG
Head, Group Human Resource & Administration

Ms Ho joined the Group in February 2022 as Head, Group Human Resource & Administration.

Ms Ho has more than 30 years of working experience in the HR arena where she held various senior management positions. She has extensive experience in spearheading talent and change management, as well as corporate strategy and human resource management across multiple industries such as construction, banking, healthcare and non-governmental organizations (NGOs).

Ms Ho holds a Bachelor of Business Administration in Human Resources Management from La Trobe University, Australia (Bendigo), and Masters of Business Administration (MBA) from University of Strathclyde Glasgow (UK).

SUN YUEJUN
Head, Group Purchasing

Ms Sun joined the Group as Purchasing Manager in August 2021 and was appointed as the Head, Group Purchasing in January 2022. She heads the Group's Purchasing Department and supports purchasing processes for all subsidiaries.

Ms Sun graduated with a Bachelor Degree from The Ocean University of China in 2007. She has more than 10 years of managerial experience in Procurement held in the Construction industry in Singapore.

WAN BAO YUAN, MAX
Head, Plant & Workshop (Singapore Foundation Engineering Group)

Mr Wan joined CS Construction & Geotechnic Pte Ltd as Manager, Plant & Machinery in December 2007 and was promoted to Senior Manager, Plant & Machinery in April 2013. His role has been further expanded with his appointment as Head, Plant & Workshop of Singapore Foundation Engineering Group in April 2019.

Mr Max has more than 30 years of experience in the mechanical field designing, making Hydraulic Winches, Power Packs and Rotators for the Building Industry. He holds a Diploma in Mechanical Engineering from Ngee Ann Polytechnic.

JI YONGXUN
Head, Group IT

Mr Ji joined Group in April 2022 as Head of Group IT. He is responsible for leading IT department to improve Group's efficiency and productivity with digital technologies and provide smooth, secure IT environment for the Group.

Mr Ji has more than 20 years of experience of enterprise digitalisation, IT infrastructure, security and operation management. He holds Master degree in Knowledge Management from Nanyang Technological University, Singapore.

OPERATION

SINGAPORE

BORED PILES DIVISION

KELVIN CHUE MUN WAI
General Manager / Director of CS Bored Pile System Pte Ltd ("CSBP") and DW Foundation Pte Ltd ("DWF")

Mr Chue joined the Group in January 2012 as Senior Project Manager of DWF. He was subsequently appointed the Deputy General Manager of CSBP and DWF in March 2017. In April 2018, he was appointed as General Manager of CSBP and DWF. He was subsequently promoted to General Manager / Director of CSBP and DWF and Director of CS Construction & Geotechnic Pte Ltd and L&M Foundation Specialist Pte Ltd in October 2020.

Mr Chue has more than 20 years of experience in the field of geotechnical, foundation and civil engineering / infrastructure works. He holds a Bachelor Degree in Engineering (Civil) from Nanyang Technological University, Singapore.

DIAPHRAGM WALLS AND SOIL IMPROVEMENT DIVISIONS

LOH BOON CHONG
Director of L&M Foundation Specialist Pte Ltd ("LMFS")

Mr Loh joined the Group as Deputy General Manager in May 2010. In April 2011, he was promoted as General Manager of CS Construction & Geotechnic Pte Ltd ("CSCG"). In January 2016, he was appointed a Director of LMFS to manage LMFS and all its related business. He was appointed as Director of CSCG, CS Bored Pile System Pte Ltd and DW Foundation Pte Ltd in October 2020.

Mr Loh has more than 20 years of experience in the field of geotechnical, foundation and civil engineering works. He holds a Bachelor Degree in Engineering (Civil) from Nanyang Technological University, Singapore.

KEY MANAGEMENT

DRIVEN PILES / JACK-IN PILES / MICRO PILES

LIM YONG KENG DANNY (LIN YONGQING)

Director of CS Construction & Geotechnic Pte Ltd ("CSCG")

Mr Danny Lim has been with the Group since 1996 when he was a Site Engineer. He was promoted as the General Manager of CSCG on April 2016. In April 2017, he was appointed as Director of CSCG overseeing general management and operations matters of CSCG. He was appointed as Director of CS Bored Pile System Pte Ltd, DW Foundation Pte Ltd and L&M Foundation Specialist Pte Ltd in October 2020.

He has more than 20 years of geotechnical and foundation experience and is currently managing the business operations of Driven Piles, Jack-in Piles and Micro Piles.

He obtained his Diploma in Civil Engineering from the Singapore Polytechnic, and holds a Bachelor of Engineering (Hons) Degree in Civil Engineering from the University of Glasgow, Scotland UK.

SOIL INVESTIGATION AND INSTRUMENTATION

PHOON SOO HIN

Director of Soil Investigation Pte Limited ("SIPL")

Mr Phoon joined the Group in May 2008 as a Senior Project Manager of CS Construction & Geotechnic Pte Ltd. He was subsequently appointed the Managing Director of Siam CSC Engineering Co Ltd ("SCE") in March 2011 where he was responsible for the foundation engineering works, business development and management of SCE in Thailand.

In January 2017, he was appointed as Director, Regional Business where he was responsible for identifying new business opportunities in the regional market and overseeing the development of new overseas businesses and projects. In July 2018, he was appointed as Director of SIPL where he was responsible for overall management of SIPL.

Mr Phoon has more than 30 years of working experience, mainly in geotechnical and foundation engineering works. He was also involved in the operation of bored piling, diaphragm wall, and micro piling works in various countries such as Malaysia, Indonesia and Vietnam for several years before joining the Group. He holds a Bachelor of Science in Civil Engineering from National Cheng Kung University, Taiwan.

NG KAI FU, JEFFREY

Deputy General Manager of Soil Investigation Pte Limited ("SIPL")

Mr Jeffrey Ng joined the Group in December 2015 as Pile Instrumentation Manager and was subsequently appointed to Instrumentation Manager in April 2018 to oversee the Ground Instrumentation department as well. He was further promoted as Deputy Senior Manager in August 2021 to be responsible for the Site Investigation Department. Currently, he serves as a Deputy General Manager to manage his team for the running of SIPL. His team's mission is to uphold quality and integrity, providing excellence and efficient geotechnical solutions to the industry.

Mr Jeffrey Ng has more than 10 years of experience in geotechnical and civil engineering / infrastructure works. He holds a Bachelor's Degree in Engineering (Civil) from Nanyang Technological University, Singapore.

SPECIALISED SURVEYING WORKS

CHUA KENG GUAN

Managing Director of Wisescan Engineering Services Pte Ltd ("WES")

Mr Chua joined the Group as the Managing Director of WES when the Group acquired WES in April 2008.

Mr Chua has over 40 years of experience in the field of Geomatic Engineering. He is the founder of WES and is currently a qualified Registered Surveyor in Singapore, a Fellow member of the Institution of Civil Engineering Surveyors, UK and a Fellow member of the Singapore Institute of Surveyors and Valuers.

SALES AND LEASE OF FOUNDATION ENGINEERING EQUIPMENTS AND ACCESSORIES

LAWRENCE CHONG JONG AN

Managing Director of THL Foundation Equipment Pte Ltd ("THLFE")

Mr Chong was the co-founder and the Managing Director of THLFE since July 1994 where he was in charge of the overall business operations and management of THLFE. He joined the Group when the Group acquired THLFE in June 2002.

He has with him more than 30 years of experience in the field of civil engineering, particularly in foundation and geotechnical engineering. Mr Chong holds a Bachelor of Science (Hons) degree in Civil Engineering from the Heriot-Watt University, United Kingdom.

NG SUN OH

Managing Director of ICE Far East Pte Ltd

Mr Ng joined the Group in May 2021 as Managing Director of ICE Far East Group which includes subsidiaries in Malaysia, Hong Kong and Thailand where he is responsible for the overall business operation and management of ICE Far East Group.

He has more than 20 years of experience in the heavy equipment industry, particularly the plant hire business in ASEAN which includes strategy formulation and identifying of new business opportunities and markets.

Mr Ng holds a Bachelor of Business Administration (Hons) degree from the University of the Pacific, Stockton California, USA.

KAAN CHI LOONG

Director of THL Foundation Equipment Pte Ltd ("THLFE")

Mr Kaan joined THLFE as a sales engineer in June 1994. He was subsequently promoted to General Manager in July 2008. In June 2017, he was promoted to Director of THLFE overseeing general management and overseas expansion of THLFE.

Mr Kaan has more than 30 years of experience in the field of foundation and geotechnical engineering including foundation equipment sales. He holds a Bachelor of Engineering (Civil) from the National University of Singapore.

MALAYSIA

BORED PILES / DIAPHRAGM WALLS DIVISION DRIVEN PILES, JACK–IN PILES & MICRO PILES DIVISION

LIM LEONG KOO

Managing Director of G-Pile Sistem Sdn Bhd ("G-Pile") and Borneo Geotechnic Sdn Bhd ("BG")

Mr Lim joined the Group in July 2006 as Senior Manager (International Business/Special Projects). He was subsequently appointed a Director of G-Pile. He was promoted to his current position as the Managing Director of G-Pile in February 2009. In March 2017, he was appointed as Managing Director of BG and is now in charge of the Group's Malaysian operations.

Mr Lim has more than 30 years of experience in the field of geotechnical and foundation engineering in Malaysia and Singapore. He holds a Bachelor Degree (Hons) in Civil Engineering from the Middlesex Polytechnic, UK.


XCMG

CONTENTS

CORPORATE GOVERNANCE REPORT

CSC Holdings Limited (the "**Company**") continues to maintain a high standard of corporate governance and confirms its commitment to comply with the Code of Corporate Governance 2018 (the "**Code**"), with the aim to preserve and enhance shareholders' value. This report describes the corporate governance framework and practices that the Company has adopted with specific reference to the principles and provisions of the Code, as required under the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). As at the date of this report, the Company has complied with the principles and provisions as set out in the Code. Where there are any deviations from the provisions of the Code, appropriate explanations have been provided in this report.

BOARD MATTERS

PRINCIPLE 1: THE BOARD'S CONDUCT OF AFFAIRS

The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The Board is primarily responsible for directing the affairs of the Company in order to achieve the goals set for the Group. The Board's responsibilities include, among others, setting the strategic direction and long-term goals for the long-term success of the Company, setting the Group's values and standards (including ethical standards), overseeing internal controls and risk management, corporate governance and reviewing/monitoring financial performance of the Group. Directors are expected to exercise due diligence and independent judgment, and objectively discharge their duties and responsibilities at all times as fiduciaries in the best interests of the Company (*Provision 1.1 of the Code*).

The Board also sets an appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Company. The Board works closely with Management ensuring that their duties and responsibilities stipulated under the Companies Act 1967 and applicable rules and regulations are complied with and their obligations towards shareholders and other stakeholders are met. The Board monitors the performance of Management and holds Management accountable for performance (*Provision 1.1 of the Code*).

In a conflict of interest situation, a Director recuses/abstains himself from discussions and decisions involving the matter/issue of conflict (*Provision 1.1 of the Code*).

With assistance of the Company Secretaries, the Board and Management are continually apprised of their compliance obligations and responsibilities arising from relevant regulatory requirements under the Companies Act 1967 and changes in the Listing Manual of the SGX-ST.

The Company also has in place a budget for the Directors' training programmes on an annual basis and the Directors are encouraged to participate in industry conferences, seminars, courses or training programmes in connection with their duties and responsibilities as directors and/or members of board committees, at the Company's expense, in order to keep the Directors abreast of the latest rules, regulations and accounting standards in Singapore and to facilitate effective discharge of their fiduciary duties as directors and/or board committee members (*Provision 1.2 of the Code*).

The Directors have been keeping themselves abreast with the latest rules, regulations and accounting standards applicable to the Group during the course of their principal commitments, in addition to relevant regulatory updates provided by the Company Secretary(ies) and external auditors as and when appropriate.

CORPORATE GOVERNANCE REPORT

New Directors will undergo an orientation programme whereby they are briefed by the Group Chief Executive Officer ("**CEO**"), Group Chief Operating Officer ("**COO**"), Group Chief Financial Officer ("**CFO**") and Company Secretaries of their obligations as Directors, as well as the Group's corporate governance practices, and relevant statutory and regulatory compliance issues, as appropriate. They will also be briefed by Management on the Group's industry and business operations (*Provision 1.2 of the Code*).

During the financial year ended 31 March 2022 ("**FY2022**"), Mr Ng San Tiong Roland was appointed as Non-Executive Director on 2 August 2021. He was previously a Non-Executive Director of the Company for the period from 25 September 2002 to 4 March 2016. Please refer to page 33 of this Annual Report for his profile under the Board of Directors section. Other than Mr Ng San Tiong Roland, there was no new Director appointed to the Board of the Company in FY2022.

The matters specifically reserved for the Board's decision/approval include but are not limited to the following, and these are communicated to Management in writing (*Provision 1.3 of the Code*):

(1) Approving the Group's goals, strategies and objectives;

(2) Considering sustainability issues, e.g. environmental and social factors, as part of its strategic formulation;

(3) Monitoring the performance of Management;

(4) Monitoring the Company's key risks and mitigation strategies;

(5) Overseeing the processes for evaluating the adequacy and effectiveness of internal controls, risk management systems, financial reporting and compliance of the Group;

(6) Approving the appointment of Directors of the Company and Key Management Personnel of the Group;

(7) Approving the announcement of unaudited half year financial results, unaudited full year financial results and audited financial statements;

(8) Endorsing remuneration framework and key human resource matters of the Group;

(9) Convening of general meetings;

(10) Approving annual budgets, major funding proposals, major acquisition and major disposal of investments according to the Listing Manual of the SGX-ST; and

(11) Assuming responsibility for corporate governance and compliance with the Companies Act 1967 and the rules and regulations applicable to a public listed company.

To facilitate effective management, certain functions have been delegated to various Board Committees i.e., Audit Committee ("**AC**"), Nominating Committee ("**NC**"), Risk Management Committee ("**RMC**") and Remuneration Committee ("**RC**"), each of which has its own clear written terms of reference ("**TOR**") (*Provision 1.4 of the Code*). The TORs are reviewed on a regular basis to ensure their continued relevance with the Code, SGX-ST's Listing Manual and applicable rules/regulations. The Board accepts that while the Board Committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board.

CORPORATE GOVERNANCE REPORT

Management together with the Board Committees support the Board in discharging its duties and responsibilities. The roles, duties and summary of activities of the Board Committees are set out separately in this report.

The Board meets at least quarterly and more frequently as and when required, to review and evaluate the Group's operations and performance and to address key policy matters of the Group, where necessary (*Provision 1.5 of the Code*).

The Constitution of the Company allows meetings of Directors to be conducted by way of teleconferencing, video conferencing or other similar means of communications to facilitate Board participation.

In the absence of Board and Board Committee meetings, the Board and the Board Committees discuss, deliberate and approve the matters specially reserved to them by way of resolutions in writing in accordance with the Company's Constitution and Board Committees' TORs, where applicable.

The number of Board and Board Committee meetings and general meeting(s) held during FY2022 and the attendance of each Director, where relevant, is set out as follows (*Provisions 1.5 and 11.3 of the Code*):

Name of Directors	Board Meeting	AC Meeting	RC Meeting	NC Meeting	RMC Meeting	Shareholders Meeting (Annual General Meeting)
Dr Leong Horn Kee	8	4	2	3	–	1
See Yen Tarn	8	*4	*2	3	4	1
Teo Beng Teck	8	4	2	*3	4	1
Ong Tiew Siam	8	4	2	*3	4	1
Tan Hup Foi @ Tan Hup Hoi	8	4	2	3	–	1
Ng San Tiong Roland	#4	#3	#–	–	–	#–
Number of meeting(s) held in FY2022	**8**	**4**	**2**	**3**	**4**	**1**

* Attendance of Director (who was non-member) by invitation of the Board Committee.
\# Appointed as Non-Executive Director and a member of the AC and RC on 2 August 2021.

Directors with multiple board representations are to disclose such board representations and ensure that sufficient time and attention are given to the affairs of the Company (*Provision 1.5 of the Code*).

Board papers for Board and Board Committee meetings, including all relevant documents, materials, background or explanatory information relating to matters which require consideration, are provided to the Directors in a timely manner, prior to the meetings and as and when required, to enable the Directors to make informed decisions and discharge their duties and responsibilities and to allow them to adequately prepare for the meetings. Management also provide the Board with regular updates and timely information to keep them informed of on-going developments within the Group (*Provision 1.6 of the Code*).

The Board, the Board Committees and the Directors have separate and independent access to Management, the Company Secretaries and external advisors (where necessary) at the Company's expense (*Provision 1.7 of the Code*) and are entitled to request from Management such information or clarification as required.

Professional advisors may be invited/engaged to advise the Board, or any of its members, if the Board or any individual member thereof needs independent professional advice, at the Company's expense.

The Company Secretary(ies) attend(s) all Board and Board Committee meetings, where appropriate. The Company Secretaries provide secretarial support and assistance to the Board and ensure adherence to the Board procedures and relevant rules and regulations applicable to the Company. Minutes of all Board and Board Committee meetings are recorded and circulated to the Board and Board Committees, respectively. The appointment and removal of the Company Secretary(ies) is subject to the approval of the Board (*Provision 1.7 of the Code*).

CORPORATE GOVERNANCE REPORT

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE
The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

As at the date of this Annual Report, the Board has six (6) Directors, comprising one (1) Executive Director, two (2) Non-Executive Directors and three (3) Independent Non-Executive Directors, as follows:

Executive Director
Mr See Yen Tarn (Executive Director and CEO)

Non-Executive Directors
Dr Leong Horn Kee (Chairman and Independent Director)
Mr Ong Tiew Siam (Independent Director)
Mr Tan Hup Foi @ Tan Hup Hoi (Independent Director)
Mr Teo Beng Teck (Non-Executive Director)
Mr Ng San Tiong Roland (Non-Executive Director)

The Chairman of the Board is an Independent Director (*Provision 2.2 of the Code*).

The Board complies with the requirement by having a majority of the Board made up of Non-Executive Directors (*Provision 2.3 of the Code*).

As of the date of this Annual Report, the Board does not have any Alternate Director.

The criterion for independence is based on the definition set out in the Code and accompanying Practice Guidance, and taking into consideration whether the Director falls under any circumstances pursuant to Rule 210(5)(d) of the Listing Manual of the SGX-ST. The Board considers an "independent" Director as one who is independent in conduct, character and judgement, and has no relationship (whether familial, business, financial, employment, or otherwise) with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view to the best interests of the Company (*Provision 2.1 of the Code*).

The NC conducted its annual review of the Directors' independence according to the Code and Rule 210(5)(d) of the Listing Manual of the SGX-ST. In its deliberation as to the independence of a Director, the NC takes into consideration, *inter alia*, whether a Director has any business relationships with the Group, and if so, whether such relationships could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent judgement in the best interest of the Company (*Provisions 2.1 and 4.4 of the Code*). The Independent Directors constructively challenge and assist in the development of proposals on strategy, and assist the Board in reviewing the performance of Management in meeting agreed goals and objectives, and monitor the reporting of performance.

The Board is of the view that a strong element of independence is present in the Board with Non-Executive Directors and Independent Directors making up a majority of the Board (*Provision 2.3 of the Code*). The Board exercises objective and independent judgement on the Group's corporate affairs. No individual or group of individuals dominates the Board's decision-making.

Members of the Board have experience in accounting or finance, business management, corporate governance, relevant industry knowledge, strategic planning and customer-based experience or knowledge. Their profiles are set out on pages 32 and 33 of this Annual Report.

CORPORATE GOVERNANCE REPORT

The Board, through the delegation of its authority to the NC, has used its best efforts to ensure that Directors appointed to the Board and its Board Committees have a wide range of core competencies, experience, skills and knowledge in, but not limited to, the fields of business development, business management, industry knowledge, financial and accounting.

The size and composition of the Board and Board Committees are reviewed annually by the NC, taking into account the scope and nature of the operations of the Company, to ensure that the size of the Board and Board Committees is appropriate to facilitate effective decision-making, and that the Board has an appropriate balance of Independent Directors and an appropriate mix of expertise and experience to enable Management to benefit from a diverse perspective of issues that are brought before the Board.

Given the diverse qualifications, experience, background and profile of the Directors, including the Independent Directors, the NC and Board are of the view that the current Board members as a group provides an appropriate balance and diversity of relevant skills, experience and expertise required for effective management of the Group (*Provision 2.4 of the Code*).

The NC and Board are also of the view that the current size, composition, range of experience and the varied expertise of the current Board members provide core competencies in business, investment, industry knowledge, regulatory matters, audit, accounting and tax matters which are necessary to meet the Group's needs.

The Board, in concurrence with the NC, is of the view that given the nature and scope of the Group's operations, the present Board and Board Committees are of an appropriate size for the Company and to provide for effective decision-making (*Provision 2.4 of the Code*).

During FY2022, the NC conducted its annual review of the Directors' independence (*Provision 4.4 of the Code*) and was satisfied that Chairman of the Board is an Independent Director, Non-Executive Directors make up a majority of the Board (*Provision 2.3 of the Code*) and Independent Directors make up 50% of the Board (*Provision 2.2 of the Code*).

For FY2022, Non-Executive Directors represented a majority of the Board members and contributed to the Board process by monitoring and reviewing Management's performance against the established goals and objectives. The Non-Executive Directors and/or Independent Directors meet without the presence of Management, where necessary, and chairman of such meetings provides feedback to the Board Chairman as appropriate (*Provision 2.5 of the Code*). Their views and opinions provide alternate perspectives to the Group's business. When challenging Management's proposals or decisions constructively, the Non-Executive Directors bring independent and objective judgement to bear on business activities and transactions involving conflicts of interest and other complexities.

For FY2022, the Independent Directors have confirmed that they or their immediate family members do not have any relationship with the Company or any of its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgment with a view to the best interests of the Company, and do not fall under any of the circumstances pursuant to Rule 210(5)(d) of the Listing Manual of the SGX-ST and the Code (with the exception of Mr Tan Hup Foi @ Tan Hup Hoi, Independent Director, who has served on the Board for an aggregate period of more than nine (9) years from the date of his first appointment). The Board, based on the review conducted by the NC, has determined that Dr Leong Horn Kee and Mr Ong Tiew Siam to be independent and Mr Tan Hup Foi @ Tan Hup Hoi continues to be considered independent.

BOARD DIVERSITY

The Company recognizes and embraces the importance of diversity towards a well-functioning and effective Board and has adopted a Board Diversity Policy. The Company acknowledges that having diversity of thought and background in the Board's composition enables the Board to avoid groupthink, foster constructive debate and make decisions in the best interests of the Company *(Provision 2.4 of the Code)*.

The policy defines diversity to refer not only to gender but also to skill-sets, experience, ethnicity, age, background and other relevant personal attributes important in providing range of perspectives, insights and challenge needed to support good decision-making. The NC is responsible to review and monitor its implementation and will recommend appropriate changes to the Board for consideration and approval.

CORPORATE GOVERNANCE REPORT

The Board has taken the following steps to maintain or enhance its balance and diversity *(Provision 2.4 of the Code)*:

(1) by assessing the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and

(2) evaluation by the Directors of the skill-sets the other Directors possess, with a view to understanding the range of expertise which is lacking by the Board.

The Board, supported by the NC, will consider factors such as skills, experience, ethnicity, age, background, independence and knowledge when reviewing the Board composition and Board succession planning so as to ensure an appropriate level of diversity is maintained at the Board. The NC will consider the results of the above steps in its recommendation for the appointment of new Directors and/or the re-appointment of incumbent Directors who have extensive experience in jurisdictions outside Singapore that can help the Company to deal or expand its business outside Singapore.

The Board has determined that it is of an appropriate size to meet the objective of having a balance of skills and experience. The Board comprises business leaders and professionals with finance, engineering, business and management backgrounds and its composition enables Management to benefit from a diverse and objective external perspective, on issues raised before the Board. Each Director has been appointed on the strength of his calibre, experience and his potential to contribute to the Group and its business.

Non-Executive Directors and Independent Directors are not part of Management and they do not engage in the day-to-day management of the Company or its subsidiaries. Although all the Directors have an equal responsibility for the Group's operations, the roles of the Non-Executive Directors and Independent Directors are particularly important in ensuring that the proposals by Management are fully discussed, deliberated and constructively challenged. The Non-Executive Directors and Independent Directors help to develop proposals on business strategies, business operations and practices of the Group. In addition, the Non-Executive Directors and Independent Directors evaluate the performance of Management by determining whether Management has met specific goals and objectives, which are pre-determined by the Board.

The Board, with the concurrence of the NC, had reviewed and considered the size and mix of the Board and the Board Committees on an annual basis and is of the view that the current Board composition provides an appropriate balance and diversity of relevant skills, experience and expertise required for effective management of the Group. The NC is aware of the importance of diversity of the Board and will continue to assess on an annual basis the diversity of the Board (as regards skills, experience, core competencies, gender and knowledge of the Company) and to ensure that the diversity would be relevant to the business need of the Group.

The NC would, however, review from time to time the structure, size and composition of the Board and Board Committees including the need for progressive refreshing of the Board and make recommendations to the Board as deemed necessary. All Board appointments, if any, would continue to be based on the candidate's experience, skillset, background, regardless of gender, having due regard for the benefits of diversity on the Board including achieving overall balance and effectiveness of the Board.

Details of the Board composition as at the date of this report are as follows:-

1. **Directors' area of expertise**

Engineering & construction	3
Accountancy, finance & taxation	3
Property development & management	1
Transport	1

2. **Directors' educational background**

Engineering & construction	3
Accountancy	2
Economics, business administration & business research	1
Science	1

CORPORATE GOVERNANCE REPORT

3. **Board independence**

Independent Directors	3
Non-Independent Directors	3

4. **Directors' age group**

60-69	4
70-79	2

5. **Directors' length of service**

	Independent Director(s)	Non-Independent Director(s)
Served more than nine (9) years	1	2
Served more than three (3) years and up to six (6) years	2	–
Served less than three (3) years	–	1

The Company remains committed to implementing the Board Diversity Policy and any further progress made towards implementation of this policy will be disclosed in future Annual Reports.

PRINCIPLE 3: CHAIRMAN AND CEO

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

There is a clear division of roles and responsibilities between the Chairman and the CEO. The duties of Chairman and CEO are set out in the Board Charter adopted by the Board *(Provision 3.2 of the Code)*. The Chairman and the CEO are not related to each other; they have no close family ties and are not immediate family members *(Provision 3.1 of the Code)*.

Dr Leong Horn Kee, an Independent Director, is the Chairman of the Board. He leads the Company's compliance with guidelines on corporate governance and is free to act independently in the best interests of the Company and its shareholders. As Chairman, Dr Leong is responsible for amongst others, the proper carrying out of the business of the Board at its meeting, and he represents the collective leadership of the Company's Board of Directors and ensures that Management provides the Board with complete, adequate and timely information and there is effective communication with shareholders of the Company. The Chairman, with the assistance of the Company Secretaries, ensures that the Board meetings are held as and when necessary and sets the board meeting agenda in consultation with the CEO and Company Secretaries. The Chairman also encourages constructive relations, mutual respect and trust within the Board and between the Board and Management and facilitates the effective contribution of Non-Executive Directors *(Provision 3.2 of the Code)*.

The Group CEO is Mr See Yen Tarn, an Executive Director and who is responsible for, among others, the day-to-day operations of the Group, as well as monitoring the quality, quantity and timeliness of information flow between the Board and Management *(Provision 3.2 of the Code)*.

Mr Koo Chung Chong was appointed the Group Deputy Chief Executive Officer ("**Group DCEO**") in May 2022. Mr Koo is also the Group COO (since June 2016) and Chief Sustainability Officer ("**CSO**") (since August 2021). As the Group DCEO, COO and CSO, Mr Koo is responsible for the marketing, operational and sustainability matters of the Group.

The Board is of the view that the current leadership structure is in the best interests of the Group. The decision making process of the Group would not be unnecessarily hindered as there are sufficient safeguards and checks to ensure that the process of decision making by the Board is independent and based on collective decisions without any individual exercising any considerable concentration of power or influence. In addition, all the Board Committees are chaired by Independent Directors of the Company.

CORPORATE GOVERNANCE REPORT

The Company does not have a Lead Independent Director given that the Chairman of the Board and the CEO are separate persons and are not immediate family members; the Chairman of the Board is also not part of the Management team and is an Independent Director (*Provision 3.3 of the Code*).

PRINCIPLE 4: BOARD MEMBERSHIP
The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

PRINCIPLE 5: BOARD PERFORMANCE
The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

NOMINATING COMMITTEE

The NC comprises Mr Tan Hup Foi @ Tan Hup Hoi (Chairman), Dr Leong Horn Kee and Mr See Yen Tarn, the majority of whom, including the Chairman, are independent *(Provisions 1.4 and 4.2 of the Code)*.

The NC is responsible for reviewing the composition and effectiveness of the Board and determining whether the Directors possess the requisite qualifications and expertise and whether the independence of the Directors is compromised pursuant to the Code and SGX-ST's Listing Manual.

The key duties of the NC include but not limited to the following *(Provisions 1.4 and 4.1 of the Code)*:

(a) To review annually the independence of each Director with reference to the Code and the Listing Manual of the SGX-ST (*Provision 4.4 of the Code*);

(b) To review all nominations for new appointments to the Board and re-appointment of Directors, submit its recommendations for approval by the Board and ensure the new Directors are aware of their duties and obligation (*Provision 4.5 of the Code*);

(c) To determine whether a Director is able to and has been adequately carrying out his duties as a Director of the Company, particularly, when a Director has multiple listed company board representations and principal commitments (*Provision 4.5 of the Code*);

(d) To review Board succession plans, in particular, the Chairman, the CEO and Key Management Personnel;

(e) To review the process and criteria for evaluation of performance of the Board, the Board Committees and the Directors;

(f) To assess the effectiveness of the Board as a whole and contribution of each of the Director to the effectiveness of the Board; and

(g) To review training and professional development programs for the Board/Directors.

During FY2022, the NC held three (3) meetings to review/consider and recommend to the Board, where appropriate, (i) the structure, size, composition and diversity of the Board, (ii) the Board Diversity Policy, (iii) findings of performance evaluations of the Board and Board Committees, (iv) independence of the Independent Non-Executive Directors, (v) retiring Directors standing for re-election at annual general meeting ("**AGM**"), (vi) the appointment of Mr Ng Sun Oh (who is a relative of substantial shareholders of the Company) as the Managing Director of ICE Far East Group and (vii) the appointment of Mr Ng San Tiong Roland as Non-Executive Director, amongst its other duties.

CORPORATE GOVERNANCE REPORT

The NC takes the lead in identifying, evaluating and selecting suitable candidates for new directorships before making recommendation to the Board for appointment. The search for new Directors, if any, will be made through internal and external sources (for example, personal contacts of current Board members, or by referral of the Company's business associates) and will, if considered necessary, be made through external search firms/consultants, at the Company's expense (*Provision 4.3 of the Code*).

The NC identifies suitable candidates for appointment to the Board having due regard to the composition/diversity and progressive renewal of the Board as well as criteria including but not limited to the background, knowledge, relevant experience and skillsets to the Company's business, personal qualities and suitability of the potential candidates. The NC makes recommendations to the Board on candidates it considers suitable for appointment (*Provision 4.3 of the Code*). The NC has put in place process and procedures for the selection, appointment and re-appointment of Directors, in order to increase transparency of the nominating process.

Letters of appointment will be issued to newly appointed Non-Executive Directors and/or Independent Directors setting out their duties, obligations and terms of appointment as appropriate while a service agreement accompanied with supporting documents setting out duties, responsibilities and terms of appointment will be given to a newly appointed Executive Director (*Provision 1.2 of the Code*).

The composition of the Board, including the selection of candidates for new appointments to the Board, is determined based on the following principles:

– there should be a strong and independent element on the Board, with Independent Directors making up at least one-third of the Board where:

    (a) the Chairman of the Board and the CEO is not the same person; and

    (b) the Chairman of the Board is an Independent Non-Executive Director.

– the Board should comprise business leaders and professionals with finance, engineering, business and management backgrounds.

The NC is of the view that the Board comprises Directors capable to exercise objective judgement on corporate affairs independently from Management and that no individual or small group of individuals is allowed to dominate the Board's decision making.

According to Rule 720(5) of Listing Manual of the SGX-ST, all directors must submit themselves for re-nomination and re-appointment at least once every three (3) years. In addition, Regulation 104 of the Company's Constitution requires one-third of the Directors, or the number nearest to but not greater than one-third, to retire from office by rotation at each AGM. A retiring Director shall be eligible for re-election.

In addition, Regulation 108 of the Company's Constitution requires all newly appointed Directors of the Company to hold office only until the next AGM of the Company following their appointment and shall then be eligible for re-election at such meeting.

CORPORATE GOVERNANCE REPORT

The table below provides information pertaining to each Director, including date of appointment, date of the last re-election and other listed company directorships and principal commitments (if any) (*Provision of 4.5 of the Code*):

Name of Directors	Date of appointment/ Date of last re-election	Functions	Current directorships in other listed companies and other major appointments/principal commitments	Past directorships in other listed companies and major appointments/ principal commitments over the preceding three (3) years
Dr Leong Horn Kee	28 July 2018 / 27 August 2020	Independent Director and Board Chairman Member of Audit Committee, Remuneration Committee and Nominating Committee	Director of – IGG Inc. – SPH Reit Management Pte Ltd which is the management company of listed company, SPH Reit – ESR Funds Management (S) Limited which is the management company of listed company, ESR Reit Singapore Ambassador to Argentina	Singapore High Commissioner to Cyprus
Mr See Yen Tarn	11 November 2005/ 29 July 2021	Executive Director and Group CEO Member of Nominating Committee and Risk Management Committee	Nil	Director of – LCT Holdings Limited – Singhaiyi Group Ltd – Eindec Corporation Limited
Mr Ong Tiew Siam	28 July 2018 / 29 July 2021	Independent Director Chairman of Audit Committee and Risk Management Committee and member of Remuneration Committee	Director of Valuetronics Holdings Limited	Nil
Mr Tan Hup Foi @ Tan Hup Hoi	3 April 2006 / 27 August 2020	Independent Director Chairman of Nominating Committee and Remuneration Committee and member of Audit Committee	Director of Credit Bureau Asia Limited Director of Vertex Technology Acquisition Corporation Ltd Chairman of – Transit Link Pte Ltd – Caring Fleet Services Limited – Orita Sinclair School of Design and Music Pte Ltd Honorary Vice President of International Association of Public Transport (UITP) Honorary Chairman of UITP Asia-Pacific Division	Nil

CORPORATE GOVERNANCE REPORT

Name of Directors	Date of appointment/ Date of last re-election	Functions	Current directorships in other listed companies and other major appointments/principal commitments	Past directorships in other listed companies and major appointments/ principal commitments over the preceding three (3) years
Mr Teo Beng Teck	24 November 2003/ 24 July 2019*	Non-Executive Director Member of Risk Management Committee, Audit Committee and Remuneration Committee	Nil	Nil
Mr Ng San Tiong Roland	2 August 2021/ Not Applicable#	Non-Executive Director Member of Audit Committee and Remuneration Committee	Non-Executive Director and Deputy Chairman of Yongmao Holdings Limited Managing Director and Group CEO of Tat Hong Holdings Ltd Managing Director of Chwee Cheng & Sons Pte Ltd, Tat Hong International Pte Ltd and Tat Hong Industries Pte Ltd	Alternate Director of Intraco Limited President of the 59th & 60th Councils of the Singapore Chinese Chamber of Commerce & Industry (SCCCI) Singapore's Non-Resident Ambassador to the Democratic Republic of Timor-Leste Chairman of Toa Payoh Central Citizens' Consultative Committee

* Mr Teo Beng Teck will be seeking re-election at the forthcoming AGM under Regulation 104 of the Company's Constitution.
# Mr Ng San Tiong Roland will be seeking re-election at the forthcoming AGM under Regulation 108 of the Company's Constitution.

Although the Independent Directors hold directorships in other companies which are not within the Group, the Board is of the view that such multiple board representations do not hinder them from carrying out their duties as Directors. These Directors would widen the experience of the Board and give it a broader perspective. The NC is satisfied that, for FY2022, each of the Non-Executive Directors and Independent Directors has given sufficient time and attention to the affairs of the Company and was able to adequately carry out his duties as a Director of the Company (*Provisions 1.5 and 4.5 of the Code*). The Board concurred with the NC's views.

Mr Tan Hup Foi @ Tan Hup Hoi has served on the Board for an aggregate period of more than nine (9) years from the date of his first appointment and his continued appointment, as an Independent Director of the Company, was approved by shareholders, via separate resolutions in the manner described in Rule 210(5)(d)(iii) of the SGX-ST's Listing Manual, at the AGM held on 27 August 2020 ("**2020 AGM**") for a term of three (3) years, with effect from the passing of the relevant ordinary resolutions at the 2020 AGM, until the earlier of the following: (i) the retirement or resignation of Mr Tan as a Director; or (ii) the conclusion of the third AGM of the Company following the passing of the said resolutions.

The Board does not impose a limit on the length of service of the Independent Directors. The Board's emphasis is on the Director's contribution in terms of skill, experience, professionalism, integrity, objectivity and independent judgement to discharge the Director's duties in the best interest of the Company. Such attributes are more critical in ascertaining the effectiveness of the Directors' independence than the years of service.

CORPORATE GOVERNANCE REPORT

In considering whether independent directors who have served on the Board for an aggregate period of more than nine (9) years are still independent, in accordance with the requirements of the Code and the SGX-ST's Listing Manual, the NC also takes into consideration the following factors:-

(a) The considerable amount of experience and wealth of knowledge that each Independent Director brings to the Company.

(b) The attendance and active participation in the proceedings and decision-making process of the Board and Board Committee meetings.

(c) Provision of continuity and stability at the Board level as each Independent Director has developed deep insight into the business of the Company and possesses experience and knowledge of the business.

(d) The qualification and expertise of each Independent Director provides reasonable checks and balances for Management.

(e) Each Independent Director has provided adequate attention and sufficient time has been devoted to the proceedings and business of the Company. Each of them is adequately prepared, responsive to and actively involved in discussions at meetings.

(f) Each Independent Director provides overall guidance to Management and acts as safeguard for the protection of the Company's assets and upholding the interests of all shareholders.

(g) Each Independent Director, as the Chairman of their respective Board Committees, has led their respective Board Committees effectively in making independent and objective decision.

Each year, the NC reviews the independence of Directors based on the internal assessment criteria, which is applied equally to all Independent Directors (including Independent Director(s) who has/have served on the Board for an aggregate period of more than nine (9) years), and guidance as set out in the Code and SGX-ST's Listing Manual. The Independent Non-Executive Directors are required to confirm their independence annually, and disclose any relationships or appointments which would impair their independence to the Board (*Provision 4.4 of the Code*). In assessing objectivity and independent judgment, the NC, with the concurrence of the Board, considered, *inter alia*, the approach, character and attitude of the Independent Directors including whether such Directors:

– are free from any interest, business or other relationship with the Company and its subsidiaries, its related corporations, substantial shareholders which could interfere, or could reasonably be perceived to interfere, with the exercise of Director's independent business judgement with a view to the best interest of the Company;

– have any material contractual relationship with the Group other than as a Director; and

– have the ability to give time, participate and contribute at Board and/or Board Committee meetings.

After rigorous review, the NC (save for Mr Tan Hup Foi @ Tan Hup Hoi who abstained from deliberation and voting on this matter), with the concurrence of the Board, agrees that Mr Tan Hup Foi @ Tan Hup Hoi has at all times exercised independent judgement in the best interests of the Company in the discharge of his Director's duties and should therefore continue to be an Independent Director of the Company.

Taking into account of the above, the Board has affirmed the independence status of Mr Tan Hup Foi @ Tan Hup Hoi and resolved that he continues to be an Independent Director, notwithstanding he has served on the Board for an aggregate period of more than nine (9) years from the date of his first appointment.

CORPORATE GOVERNANCE REPORT

The NC has recommended the nomination of Mr Teo Beng Teck and Mr Ng San Tiong Roland for re-election as Directors at the forthcoming AGM, after having considered (a) the qualifications, expertise, skills, business knowledge and experience of the above-named retiring Directors and their overall contribution to the Company and attendance and contributions (such as participation, preparedness and candour) at Board and/or Board Committee meetings, and (b) the Board present composition provides an appropriate balance and diversity of relevant skills, age, industry knowledge, experience and expertise required to meet the Group's operational and business needs. The Board is satisfied that each of Mr Teo Beng Teck and Mr Ng San Tiong Roland possesses the relevant experience, expertise, knowledge and skills to contribute towards the core competencies of the Board and has accepted the NC's recommendation. Mr Teo Beng Teck and Mr Ng San Tiong Roland, being eligible, will be offering themselves for re-election at the AGM. The additional information of the retiring Directors, Mr Teo Beng Teck and Mr Ng San Tiong Roland, is set out on pages 178 to 188 of this Annual Report.

Each member of the NC is required to abstain from voting on any resolutions, making any recommendations and/or participating in any deliberations of the NC in respect of his re-nomination as a Director.

The NC has put in place a formal process for evaluating the performance and effectiveness of the Board as a whole, and each of the Board Committees separately, on an annual basis following the conclusion of each financial year (*Provision 5.1 of the Code*).

The Board performance evaluation questionnaire focuses on a set of performance criteria, which includes, amongst other things, the size and composition of the Board, the Board's access to information pertaining to the Company, the efficiency and effectiveness of Board processes and the standards of conduct of Directors. All Directors are required to complete the evaluation questionnaire.

Performance evaluations of Board Committees, namely, AC, NC and RC focus on a set of performance criteria includes, amongst other things, the respective Board Committees' composition, size and expertise, accountability and processes and/or the standards of conduct of members of Board Committees. All members of the respective Board Committees are required to complete the evaluation questionnaire.

The findings of the evaluation questionnaire are collated and analysed, and thereafter presented to the NC for discussion. The NC will then present the findings of the evaluation questionnaire and make its recommendation to the Board, if necessary (*Provision 5.2 of the Code*).

The evaluation questionnaire is approved by the Board and they address how the Board has enhanced long term shareholder value. In 2022, the Board and Board Committees evaluation questionnaires had been reviewed by the NC and Board and updated where required and deemed appropriate, mainly to ensure relevancy of the evaluation questionnaires, which are applicable for FY2022 onwards. Other than that, the Board has not changed any of such performance criteria or questions.

Although the Directors are not evaluated individually, the factors taken into consideration for nomination of a Director for re-election at AGM include the Director's attendance at meetings held during the financial year and the contributions made by that Director at those meetings, including a review of his independence, as appropriate.

Recommendations to further enhance the effectiveness of the Board and Board Committees are implemented as and when appropriate, if any.

No external facilitator had been engaged by the Board for the purpose of the aforesaid performance evaluations (*Provision 5.2 of the Code*).

CORPORATE GOVERNANCE REPORT

REMUNERATION MATTERS

PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES
The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION
The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

PRINCIPLE 8: DISCLOSURE ON REMUNERATION
The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

REMUNERATION COMMITTEE

As at the date of this Annual Report, the RC comprises five (5) Non-Executive Directors, namely Mr Tan Hup Foi @ Tan Hup Hoi (Chairman), Dr Leong Horn Kee, Mr Ong Tiew Siam, Mr Teo Beng Teck and Mr Ng San Tiong Roland, the majority of whom, including the Chairman, are independent *(Provisions 1.4 and 6.2 of the Code)*.

The key responsibilities of the RC include but not limited to the following *(Provisions 1.4 and 6.1 of the Code)*:

(1) To review and recommend to the Board a framework of remuneration for the Board and Key Management Personnel;

(2) To review and recommend to the Board the specific remuneration packages for each Executive Director and Key Management Personnel;

(3) To review and recommend to the Board the benefits under long-term incentive schemes, if any, for Executive Directors and Key Management Personnel; and

(4) To review the contracts of service of Executive Directors and Key Management Personnel.

During FY2022, the RC held two (2) meetings to review/consider and recommend to the Board, where appropriate, (i) remuneration packages of the Executive Director/CEO and Key Management Personnel of the Company, (ii) Directors' fees for Non-Executive Directors, including Independent Non-Executive Directors, (iii) remuneration of Mr Ng Sun Oh (who is a relative of substantial shareholders of the Company) as the Managing Director of ICE Far East Group and (iv) other remuneration related matters.

Each member of the RC is required to abstain from voting on any resolutions, making any recommendations and/or participating in any deliberations of the RC in respect of his own remuneration. No Director is involved in deciding his own remuneration.

The recommendations of the RC pertaining to the service contracts of Directors are submitted for endorsement by the Board before the execution of any such service contracts.

CORPORATE GOVERNANCE REPORT

The RC reviews the performance of the Company's Executive Director (together with other Key Management Personnel) annually and as and when required and the Board ensures that the remuneration of the Executive Director and Key Management Personnel commensurate with their performance and that of the Company, having regard to the pay and employment conditions within the industry and local practices. The RC reviews the terms of compensation and employment of Executive Director and Key Management Personnel at the time of their respective employment or renewal (where applicable) including considering the Company's obligations in the event of termination of services.

Further, the RC will take into consideration remuneration packages and employment conditions within the industry and within similar organisation structure as well as the Group's relative performance and the performance of individual employee.

The RC ensures that the remuneration packages of employees relating to the Directors and substantial shareholders/ controlling shareholders of the Group, if any, are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and levels of responsibilities.

The RC considers all aspect of remuneration and aims to be fair and avoid rewarding poor performance during the course of its duties including in the event of termination, to ensure that termination clauses are fair and not overly generous in respect of service contracts entered into with Executive Directors and Key Management Personnel (*Provision 6.3 of the Code*).

The RC has access to expert advice from external remuneration consultants, where required. The Company did not appoint any external remuneration consultants in FY2022 (*Provision 6.4 of the Code*).

The Company adopts a remuneration policy for Executive Directors and Key Management Personnel of the Group that comprise a fixed component and a variable component. The fixed component is in the form of a base salary. The variable component is in the form of a variable bonus that is linked to the performance of the Group and the individual performance for the preceding financial year, taking into account the strategic objectives of the Company (*Provision 7.1 of the Code*). Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes long-term success of the Company (*Provision 7.1 of the Code*).

Currently, the Company does not have any long-term incentive, share option scheme or share award scheme within the Group.

Even though there are no contractual provisions allowing the Company to reclaim incentive components of remuneration from Executive Directors or Key Management Personnel in exceptional circumstances of misstatement of financial results or of misconduct resulting financial loss to the Group, the Group will not hesitate to take legal actions against the personnel responsible in the event of such exceptional circumstances or misconduct resulting financial loss to the Group.

Directors' fees payable/paid to the Non-Executive Directors and Independent Directors are set in accordance with a remuneration framework comprising a basic fee and increment fixed fee, taking into account of the level of responsibilities such as taking the roles of chairman and member of Board Committees as well as their contribution, responsibilities, effort and time spent (*Provision 7.2 of the Code*). The RC ensures that the Non-Executive Directors should not be overly compensated to the extent that their independence may be compromised.

The RC had recommended to the Board an amount of up to S$420,000 as Directors' fees for the financial year ending 31 March 2023, to be paid quarterly in arrears, and the Director's fees of S$45,333 for the period from 2 August 2021 to 31 March 2022, to be paid to Mr Ng San Tiong Roland, who was appointed a Non-Executive Director and a member of the AC and RC on 2 August 2021. These recommendations had been endorsed by the Board and will be tabled at the forthcoming AGM for shareholders' approval.

At the last AGM held on 29 July 2021, shareholders' approval had been sought for the payment of Directors' fees of up to S$329,000 for FY2022, to be paid quarterly in arrears. After taking into account the Directors' fees of S$45,333 to be paid to Mr Ng San Tiong Roland, the total Directors' fees for FY2022 would be S$374,333.

CORPORATE GOVERNANCE REPORT

The Board is of the view that the current remuneration structure is appropriate to attract, retain and motivate Directors to provide good stewardship of the Company and Key Management Personnel to successfully manage the Company for the long term (*Provision of 7.3 of the Code*).

The remuneration paid/payable to each Director of the Company for FY2022 is disclosed in the respective bands as set out below (*Provision 8.1 of the Code*):-

Remuneration Band	Name of Directors	Directors' Fees (%)**	Salaries[(1)] (%)	Bonus[(2)] (%)	Total (%)
S$500,000.01 to S$750,000	See Yen Tarn*	–	72.55	27.45	100
Below S$250,000	Dr Leong Horn Kee	100	–	–	100
	Ong Tiew Siam	100	–	–	100
	Tan Hup Foi @ Tan Hup Hoi	100	–	–	100
	Teo Beng Teck*	100	–	–	100
	Ng San Tiong Roland*	100	–	–	100

* Mr See Yen Tarn is Executive Director of the Company and the Group CEO. Mr See does not receive Directors' fees.
For FY2022, the Company also paid Mr Teo Beng Teck S$30,000 as consultancy fees for his provision of consultancy service to the Company.
Mr Ng San Tiong Roland is a Non-Executive Director of the Company and a controlling shareholder of the Company.
** Directors' fees are subject to approval at the AGM.
(1) The salary percentage shown is inclusive of allowances, benefits in kinds and CPF contribution.
(2) The bonus percentage shown is inclusive of CPF contribution.

The Company has decided not to disclose the actual remuneration in dollar terms paid to the Directors and the CEO as the Company believes that such disclosure would be prejudicial to the Company's interests and hamper its ability to retain its Board of Directors and the CEO (*Provision 8.1 of the Code*).

The Board is of the view that the information disclosed in this report, including the above disclosure of remuneration of Directors in bands of S$250,000 with a breakdown (in percentage terms) showing the level and mix of remuneration, is sufficient for shareholders to have adequate understanding of the Company's remuneration framework, policies and practice for Directors. In addition, the fees for Non-Executive Directors and Independent Directors are put to shareholders for approval annually at the Company's AGM (*Provision 8.1 of the Code*).

The remuneration and reward system for Key Management Personnel are designed to ensure competitive compensation to attract, retain and motivate employees to deliver high-level performance. Further, the level and mix of the variable remuneration component is structured to ensure that the total remuneration for Key Management Personnel is aligned with the Company's financial performance and interests of shareholders and other stakeholders and promotes the long-term success of the Company.

(i) Fixed remuneration – Fixed remuneration includes an annual basic salary, and where applicable, fixed allowances, an annual wage supplement and other emoluments. Base salaries of key executives are determined based on the scope, criticality and complexity of each role, equity against peers with similar responsibilities, experience and competencies, individual performance and market competitiveness.

(ii) Annual variable bonuses – The annual variable bonus is intended to recognize the performance and contributions of the individual, while driving the achievement of key business results for the Company. This bonus is linked to the achievement of pre-agreed financial and non-financial performance targets comprising strategy, business processes and organization and people development. It is designed to support the Group's business strategy and the ongoing enhancement of shareholder value through the delivery of annual financial strategy and operational objectives. At an individual level, the performance target bonus will vary accordingly to the actual achievement of the Group, business unit and individual performance.

The Code recommends that the Company should name and disclose the remuneration of at least the top five (5) Key Management Personnel. However, the RC believes such disclosure would be disadvantageous to the Group's business interests, given the highly competitive environment in the construction industry where poaching of staff is prevalent.

CORPORATE GOVERNANCE REPORT

In order to provide a macro perspective of the remuneration patterns of Key Management Personnel, while maintaining the confidentiality, the disclosure of the top ten (10) Key Management Personnel remuneration (who are not Directors of the Company or the CEO) of the Group for FY2022 in bands of S$250,000 are set out below (*Provision 8.1 of the Code*):-

Remuneration Band	Number of Key Management Personnel	Salaries[1] (%)	Bonus[2] (%)	Others (Benefits in Kinds) (%)	Total (%)
S$500,000.01 to S$750,000	1	74.98	25.02	–	100
S$250,000.01 to S$500,000	9	79.90	19.92	0.18	100

(1) The salary percentage shown is inclusive of allowances, benefits in kinds and CPF contribution.
(2) The bonus percentage shown is inclusive of CPF contribution.

The Board is of the view that the information disclosed in this report, including the above disclosure, is sufficient for shareholders to have adequate understanding of the Company's remuneration framework, policies and practice for Key Management Personnel, as well as the link between performance and remuneration.

The Board is of the opinion that the practices the Company has adopted are consistent with the intent of Principle 8 of the Code as a balance is struck between the requirement for transparency on the Company's remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation, and the Group's need to maintain confidentiality of sensitive information, given the sensitivity and confidentiality of remuneration matters.

The aggregate total remuneration paid to the top ten (10) Key Management Personnel (who are not Directors of the Company or the CEO) of the Group for FY2022 is approximately S$3,397,000 *(Provision 8.1 of the Code).*

Mr Ng Sun Oh (who was appointed as the Managing Director of ICE Far East Group, comprising ICE Far East Pte Ltd and all its subsidiaries, 55% owned by the Company, with effect from 18 May 2021) is the brother of:-

(i) Mr Ng San Tiong Roland, Non-Executive Director and a controlling shareholder of the Company; and

(ii) Mr Ng Sun Ho Tony, Mr Ng San Wee David and Mr Ng Sun Giam Roger, controlling shareholders of the Company,

and also the son of Mr Ng Chwee Cheng, a substantial shareholder of the Company.

The remuneration paid to Mr Ng Sun Oh for FY2022 is set out below (*Provision 8.2 of the Code*):-

	Remuneration Band	Salaries[1] (%)	Bonus[2] (%)	Others (Benefits in Kinds) (%)	Total (%)
Ng Sun Oh	S$200,000.01 to S$300,000	94.31	5.69	–	100

(1) The salary percentage shown is inclusive of allowances, benefits in kinds and CPF contribution.
(2) The bonus percentage shown is inclusive of CPF contribution.

Save as disclosed above, there was no employee of the Group who was a substantial shareholder of the Company, or who was an immediate family member of a Director, the CEO or a substantial shareholder of the Company, and whose annual remuneration exceeded S$100,000 during the year under review.

There are no termination, retirement and post-employment benefits granted to Directors, the CEO and the top ten (10) Key Management Personnel (who are not Directors of the Company or the CEO).

Save as disclosed above, there are no remuneration and other payments and benefits paid by the Company and its subsidiaries to the Directors and top ten (10) Key Management Personnel of the Company (*Provision 8.3 of the Code*).

CORPORATE GOVERNANCE REPORT

ACCOUNTABILITY AND AUDIT

PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Board recognises the importance of sound internal controls and risk management practices and acknowledges its responsibility for the systems of internal controls and risk management of the Group. In this regard, the role of the Board includes (*Provision 9.1 of the Code*):

(a) ensuring that Management maintains a sound system of risk management to safeguard shareholders' interests and the Group's assets;

(b) determining the nature and extent of significant risks that the Company is willing to take in achieving its strategic objective and value creation;

(c) determining the levels of risk tolerance and risk policies of the Company;

(d) overseeing Management in the design, implementation and monitoring of internal controls (including financial, operational, compliance and information technology controls) and risk management systems; and

(e) reviewing the adequacy and effectiveness of the risk management and internal control systems annually.

In FY2022, Management carried out an annual review of the Group's key risks and effectiveness of key internal controls in place within the Group.

RISK MANAGEMENT COMMITTEE

In order to assist the Board in fulfilling its oversight responsibilities on risk management, the Group has set up a RMC, comprising three (3) Directors, namely Mr Ong Tiew Siam (Chairman), Mr See Yen Tarn and Mr Teo Beng Teck (*Provisions 1.4 and 9.1 of the Code*).

The RMC holds at least four (4) meetings a year. The RMC assists the Board in reviewing risk policies and matters relating to management of risks.

The key functions and duties of the RMC under its terms of reference include but not limited to the following (*Provision 1.4 of the Code)*:

(a) reviewing and advising the Board on the operating risk management philosophy, guidelines and major policies for effective risk management, including risk profile, risk tolerance level and risk strategy;

(b) reviewing of tendering procedure for major projects and risk management control in project management; and

(c) overseeing and advising the Board on the current operating risk exposure and future risk strategy of the Company.

The RMC also reviews periodically the effectiveness of the Group's internal controls and risk management systems and framework to manage and mitigate risk within the agreed strategy; and evaluates risks in new business and in new markets.

During FY2022, the RMC held four (4) meetings to review the Group's business and operational activities to identify areas of significant risks, if any, as well as take appropriate measures to control and mitigate such risks, and review/consider other risk management related matters.

CORPORATE GOVERNANCE REPORT

INTERNAL CONTROLS

The Group maintains a robust and effective system of internal controls and risk management policies, addressing financial, operational, compliance and information technology risks, for all companies within the Group, to safeguard shareholders' interests and the Group's business and assets.

Since year 2013, the Group has implemented an Enterprise Risk Management (ERM) programme on the identification, prioritisation, assessment, management and monitoring of key risks covering, *inter alia*, financial, operational, compliance and information technology faced by the Group. The key risks identified are reviewed by Management regularly and significant controls measures and procedure to control these risks are being implemented and highlighted to the RMC, AC and the Board.

The system of internal controls and risk management established by the Group provides reasonable, but not absolute, assurance that the Group's assets and investments are safeguarded. The Board notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human errors, losses, fraud or other irregularities. The Board reviews the adequacy and effectiveness of the Group's risk management and internal control systems, including financial, operational, compliance and information technology controls, and risk management systems on an on-going basis.

The Group's key internal controls include:

– establishment of risk management policies and systems;

– establishment of policies and approval limits for key financial and operational matters, and issues reserved for the Board;

– maintenance of proper accounting records;

– the reliability of financial information;

– safeguarding of assets;

– ensuring compliance with appropriate legislation and regulations;

– engaging qualified and experienced persons to take charge of important functions; and

– implementation of safety, security and internal control measures and taking up appropriate insurance coverage for employees.

The Board and AC will be responsible for (a) monitoring the Company's risk of becoming subject to, or violating, any sanctions-related law or regulation and (b) ensuring timely and accurate disclosures to SGX-ST and other relevant authorities. As at the date of this Annual Report, the Company does not have existing business in a country which is subject to sanctions-related law or regulation and has no exposure to sanctions-related risks.

In respect of FY2022, the Board has received the assurances from (*Provision 9.2 of the Code*):-

(a) the CEO and the CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(b) the CEO and other relevant Key Management Personnel that the systems of risk management and internal controls (including financial, operational, compliance and information technology controls) in place within the Group are adequate and effective in addressing material risks in the Group in its current business environment.

CORPORATE GOVERNANCE REPORT

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by Management and the RMC, the AC and the Board are of the opinion that the Group's internal controls, addressing financial, operational, compliance and information technology controls and risk management systems were adequate and effective for FY2022 to meet the needs of the Group in its current business environment (*Provision 10.1(b) of the Code*). No material weaknesses of internal controls and risk management systems were identified in respect of FY2022.

The Board, together with the AC, RMC and Management, will continue to enhance and improve the existing internal control framework to mitigate the occurrence of material errors, poor judgement in decision-making, human errors, losses, fraud or other irregularities.

PRINCIPLE 10: AUDIT COMMITTEE
The Board has an Audit Committee which discharges its duties objectively.

AUDIT COMMITTEE

The AC is empowered to investigate any matter relating to the Group's accounting, auditing, internal controls and financial practices brought to its attention, with full access to records, resources and personnel of the Group, to enable them to discharge its functions properly (*Provision 1.4 of the Code*).

As at the date of this Annual Report, the AC comprises five (5) Non-Executive Directors, namely Mr Ong Tiew Siam (Chairman), Mr Tan Hup Foi @ Tan Hup Hoi, Dr Leong Horn Kee, Mr Teo Beng Teck and Mr Ng San Tiong Roland, the majority of whom, including the Chairman, are independent (*Provisions 1.4 and 10.2 of the Code*). At least two (2) members, including the Chairman, have recent and relevant accounting or related financial management expertise or experience (*Provision 10.2 of the Code*).

None of the members of the AC is a partner or director of the Group's auditing firms or auditing corporations or was a former partner or former director of the Group's auditing firms or auditing corporations. None of them has any financial interest in the Group's auditing firms or auditing corporations (*Provision 10.3 of the Code*).

The AC has full access to Management and full discretion to invite any Director and officer to attend AC meetings held from time to time.

The key responsibilities of the AC include but not limited to the following (*Provisions 1.4 and 10.1 of the Code*):

(1) To review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and the Group and the announcements relating to the Group's financial performance;

(2) To review at least annually the adequacy and effectiveness of the Company's internal controls and risk management systems;

(3) To review the assurance from CEO and the CFO on the financial records and financial statements;

(4) To review scope, audit plans and reports of the external auditor and the internal auditor;

(5) To review and report to the Board on the adequacy and effectiveness of the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management system;

(6) To review interested person transactions in accordance with the requirements of the Listing Manual of the SGX-ST;

(7) To review and recommend to the Board the release of the unaudited half year financial results and unaudited full year financial results;

CORPORATE GOVERNANCE REPORT

(8) To review and recommend the appointment or re-appointment of the external auditor, including the remuneration of the external auditor;

(9) To oversee co-ordination where more than one auditing firm or auditing corporation is involved in the Group's external audit (if any);

(10) To review the independence of the external auditor annually;

(11) To review the adequacy, effectiveness and independence of the external audit and internal audit function;

(12) To review all non-audit services provided by the external auditor to determine if the provision of such services will affect the independence of the external auditor; and

(13) To review the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on.

Each member of the AC will abstain from voting on any resolution and making any recommendation or participating in any deliberations of the AC in respect of matters which concerned him, if any.

The AC has reviewed and confirmed that the Company has complied with Rules 712, 715 and 716 of the Listing Manual of the SGX-ST in relation to the appointment of auditors of the Company, its subsidiaries and significant associated companies.

All the accounts of the Company and its Singapore-incorporated subsidiaries are audited by KPMG LLP. KPMG LLP is the auditing firm registered with the Accounting and Corporate Regulatory Authority ("**ACRA**").

The Company's foreign incorporated subsidiaries are audited by separate auditing firms. The AC is of the view that the external auditors are each a suitable auditing firm that meets the Group's audit obligations, its size and complexity, and having also considered the external auditors' professional standing, the reputation of its audit engagement partner and the adequacy of the number and experience of its supervisory and auditing staff assigned for the audit. The Board and the AC are satisfied that the appointment of different auditors for certain subsidiaries and associates would not compromise the standard and effectiveness of the audit of the Group.

The external auditors have full access to the AC and the AC has full access to Management.

The AC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by Management and full discretion to invite any Director or executive officer to attend its meetings, and has reasonable resources to enable it to discharge its functions properly.

The AC meets at least four (4) times a year. The AC also meets with both the internal and external auditors, without the presence of Management, at least once a year to discuss the results of their respective audit findings and their evaluation of the Group's system of accounting and internal controls (*Provision 10.5 of the Code*).

The AC takes reference from the principles and best practices recommended in the "Guidebook for Audit Committees in Singapore" issued by the Audit Committee Guidance Committee jointly established by the Monetary Authority of Singapore (MAS), the ACRA and Singapore Exchange Limited ("**SGX**"), and the "Guidance to Audit Committees on Evaluation of Quality of Work Performed by External Auditors" issued by ACRA and SGX. In addition, the external auditor updates the AC on changes to accounting standards and issues which have a direct impact on financial statements of the Company.

In identifying the key audit matters, the AC and external auditors had deliberated on the key audit matters and their disclosures. Having considered these key audit matters and their disclosure, the AC concurred with the external auditors on the approach and methodology applied to each of the key audit matters and its disclosures as set out under the Independent Auditor's Report on pages 74 to 76 of this Annual Report.

CORPORATE GOVERNANCE REPORT

The AC has also conducted a review of all non-audit services provided by the auditors and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the auditors. The audit and non-audit fees paid / payable to the external auditors for FY2022 were $431,072 and $114,199 respectively.

The AC has also considered the performance of KPMG LLP based on factors such as performance, adequacy of resources and experience of the audit engagement partner and audit team assigned to the Company's and the Group's audit as well as the size and complexity of the Company and of the Group. The AC, with the concurrence of the Board, had recommended the re-appointment of KPMG LLP as external auditors at the forthcoming AGM of the Company.

The Group has outsourced its internal audit ("**IA**") function to Ernst & Young Advisory Pte Ltd ("**EY**"), a professional consultancy firm ("**Internal Auditors**"). The objective of the IA function is to determine whether the internal controls established by the Group are adequate and functioning in the required manner. The Internal Auditors performed its review in accordance to the IA plan reviewed and approved by the AC. The AC ensures that procedures are in place to follow up on the recommendations by the Internal Auditors in a timely manner and to monitor any outstanding issues. The IA function primary line of reporting would be to the AC and in particular to the Chairman of the AC (*Provision 10.4 of the Code*).

EY follows a global internal audit methodology which is in line with the Standards for the Professional Practice of Internal Auditing as set by The Institute of Internal Auditors. The engagement team is led by a Partner with more than 20 years of internal audit and risk advisory experience. EY currently serves organisations listed on SGX-ST, multi-national companies as well as local enterprise in a wide range of industries, which include property development and management. The Internal Auditors report their findings on IA matters and action plans to the AC and administrative matters to Management. The AC approves the hiring, removal, evaluation and compensation of the Internal Auditors (*Provision 10.4 of the Code*).

The scope of the IA function is as follows:-

(a) to evaluate the reliability, adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls of the Company and its subsidiaries in scope;

(b) to highlight key business issues and operational weaknesses to the AC for deliberation with copies of these reports extended to the Group CEO, COO, CFO and other relevant senior management officers; and

(c) to discuss the summary of findings and recommendations as well as the status of implementation of the actions agreed by Management at the AC meetings.

The AC meets the Internal Auditors at least once annually without the presence of Management (*Provision 10.5 of the Code*). The Internal Auditors have unfettered access to all the Group's documents, records, properties and personnel, including the AC and Management (*Provision 10.4 of the Code*).

The AC reviews the IA plans and all IA reports submitted by the Internal Auditors. Structured processes are in place so that audit findings and material control weaknesses (if any) raised in the IA reports are dealt with in a timely manner, with outstanding exceptions or recommendations being closely monitored and reported back to the AC on a quarterly basis.

The AC reviews the IA function at least annually and is of the opinion that, for FY2022, the IA function is independent, effective, adequately resourced to perform its functions and has appropriate standing within the Group (*Provision 10.4 of the Code*).

In performing its functions, the AC reviews the overall scope of both internal audit and external audit, and the assistance and resources given by Management to the internal auditor and the external auditor.

CORPORATE GOVERNANCE REPORT

WHISTLE-BLOWING POLICY

The Company has put in place a Whistle-Blowing Policy ("**Policy**") which sets out the procedures for a whistleblower to report misconduct or wrongdoing, or to raise concerns in good faith, with the reassurance of being protected from reprisals or victimisation, about possible improprieties in financial reporting or other matters, and to ensure that arrangements are in place for independent investigation of matters raised and for appropriate follow-up actions to be taken (*Provision 10.1(f) of the Code*).

The Company ensures that the identity of the whistleblower is kept confidential and is committed to ensure the whistle-blower is protected against detrimental or unfair treatment. The identity of the whistle-blower will not be made known to anyone other than (i) the investigating team; (ii) the AC and Board; (iii) the Group CEO (provided the whistleblowing in question is not concerned with the integrity of staff directly reporting to the Group CEO or the Group CEO himself); and (iv) parties to whom the identity of the whistle-blower is required to be disclosed by law. The whistle-blower's consent will be obtained when his / her identity is to be revealed to anyone other than in the above circumstances.

The AC is responsible for oversight and monitoring of whistleblowing. The AC will review investigation reports on whistleblowing cases and decide/recommend follow-up or remedial actions to be taken, where appropriate, and report the same to the Board accordingly. The AC may in its absolute discretion designate an independent function/party as it deems fit to investigate whistleblowing reports made in good faith. This Policy will be reviewed by the AC, as and when deemed appropriate, with recommendations, if any, made to the Board for approval. During FY2022, the Company's Policy had been updated to be in line with the relevant amendments to the SGX-ST's Listing Manual.

The Policy has been disseminated and made available to all employees of the Group. A copy of the Policy is made available on the Company's intranet and website for transparency and ease of access by all employees and any parties who have business relationship with the Company.

MATERIAL ASSOCIATES AND JOINT VENTURES

Material associates and joint ventures which the Company does not have control are not dealt with for the purposes of this report.

SHAREHOLDER RIGHTS AND ENGAGEMENT

PRINCIPLE 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The Company treats all shareholders fairly and equitably, and recognises, protects and facilitates the exercise of shareholders' rights and continually reviews and updates such governance arrangements.

The Company recognises the need to communicate with shareholders on all material matters affecting the Group and does not practice selective disclosure. Price sensitive information, including half year and full-year results and press release (the "**Corporate Announcements**"), are announced to shareholders on an equal and timely basis through SGXNet. The Corporate Announcements can also be found on the Company's website at www.cschl.com.sg.

In line with continuous obligations of the Company under the SGX-ST listing rules and the Companies Act 1967, the Board's policy is that all shareholders should be equally and timely informed of all major developments that impact the Group or the Company.

CORPORATE GOVERNANCE REPORT

The Board ensures adequate and material information relating to the Group's business development in accordance with disclosure requirements of the Listing Manual of the SGX-ST are released to SGX-ST through SGXNet in a timely and fair manner.

The Company encourages shareholder participation at general meetings of shareholders (*Provision 11.1 of the Code*). At each AGM and/or general meeting, shareholders are given opportunity to participate effectively and raise their questions in relation to item(s) of the agenda of the AGM and/or general meeting with the Directors and Management. Voting at general meetings is conducted by way of poll, in accordance with the Listing Manual of the SGX-ST and the Company's Constitution, in the presence of independent scrutineers. One (1) ordinary share is entitled to one (1) vote. Voting procedures and rules governing general meetings are explained to shareholders. The results of the poll voting are announced at the meeting and published via SGXNet on the same day as the meeting.

Resolutions on each distinct issue are tabled separately at general meetings (*Provision 11.2 of the Code*). For resolutions tabled under special business, a descriptive explanation of the effects of such a resolution will be disclosed in the notice of general meeting.

The Company's Constitution provides that subject to the Constitution, the Companies Act 1967 and the listing rules of the SGX-ST, the Directors may, at their sole discretion, approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow shareholders who are unable to vote in person at any general meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail or facsimile (*Provision 11.4 of the Code*).

Currently, the Company has not implemented measures to allow shareholders who are unable to vote in person at the Company's general meetings the option to vote in absentia, such as, via mail, electronic mail or facsimile due to concerns on information control and security. Voting in absentia may only be possible following careful study/review of feasibility to ensure that integrity of the information and authentication of the identity of shareholders is not compromised.

Minutes of AGMs/general meetings of shareholders, including a summary of substantial and relevant comments or queries from shareholders relating to the agenda of general meetings and responses from the Board, Management and/or Auditors, are published via SGXNet and on the Company's website (*Provision 11.5 of the Code*).

2021 AGM

Due to the COVID-19 situation in Singapore and the related elevated safe distancing measures in Singapore, the AGM of the Company for year 2021 ("**2021 AGM**") was convened and held by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "**COVID-19 Temporary Measures Order**").

Shareholders were not able to attend the 2021 AGM in person. Shareholders were able to watch or listen to the 2021 AGM proceedings via a "live" webcast on their mobile phones, tablets or computers and submit questions to the Company at least 72 hours before the 2021 AGM via mail, email or electronic format accessible on the CSC website set up for the purpose of the 2021 AGM.

For the Company's 2021 AGM, which was convened and held pursuant to the COVID-19 Temporary Measures Order, shareholders could only vote by appointing the Chairman of the meeting as their proxy to vote on their behalf.

An independent scrutineer was appointed to validate the vote tabulation procedures. Results of the poll on each resolution was announced at the 2021 AGM and the same was uploaded via SGXNet and the Company's website after the 2021 AGM. Minutes of the 2021 AGM were published via SGXNet and on the Company's website within one (1) month after the meeting.

All Directors (including the Group CEO who is also a Director) and Messrs KPMG LLP (Auditors of the Company) attended the 2021 AGM either in-person or via electronic means (*Provision 11.3 of the Code*).

CORPORATE GOVERNANCE REPORT

Forthcoming 2022 AGM to be convened and held by way of electronic means

In relation to the forthcoming AGM to be held on 28 July 2022 ("**2022 AGM**"), shareholders should note that:

1. The 2022 AGM of the Company will be convened and held by way of electronic means pursuant to the COVID-19 Temporary Measures Order.

2. A member will not be able to attend the 2022 AGM in person. Members (whether individual or corporate) must appoint the Chairman of the Meeting to act as proxy to attend, speak and vote on their behalf at the 2022 AGM. Members will also not be able to vote online on the resolutions to be tabled for approval at the 2022 AGM.

3. Printed copies of the Notice of 2022 AGM, Proxy Form, Letter to Shareholders in relation to the Proposed Renewal of the Share Buy-Back Mandate dated 12 July 2022 ("**Letter to Shareholders**") and Annual Report for FY2022 will not be sent to members. The electronic copies of the Notice of 2022 AGM, Proxy Form, Letter to Shareholders and the Annual Report are made available on/via the following:

   – Company's website at the URL http://www.cschl.com.sg;

   – the website set up for the purpose of AGM at the URL http://conveneagm.com/sg/csc2022 ("**CSC AGM Website**"); and

   – SGXNet at the URL https://www.sgx.com/securities/company-announcements.

The Company's arrangements relating to, among others, (i) attendance at the 2022 AGM via electronic means (including arrangements by which the 2022 AGM can be electronically accessed via live audio-visual webcast or live audio-only stream), (ii) submission of questions prior to the 2022 AGM, (iii) addressing of substantial and relevant questions prior to or at the 2022 AGM and (iv) voting by appointing the Chairman of the Meeting as proxy at the 2022 AGM are set out in the Notice of 2022 AGM and the Company's announcement dated 12 July 2022, which can be accessed at (i) the Company's website; (ii) the CSC AGM Website; and (iii) the SGX website at the URLs indicated in para (3) above.

Please refer to the Notice of 2022 AGM and the aforesaid announcement dated 12 July 2022 for further details.

Dividend Policy

The Company does not have a formal dividend policy. The dividend that the Directors of the Company may recommend or declare in respect of any particular financial year or period will be subject to the factors outlined below as well as any other factors deemed relevant by the Directors of the Company (*Provision 11.6 of the Code*):-

(1) the level of the earnings of the Group;

(2) the financial condition of the Group;

(3) the projected levels of the Group's capital expenditure and other investment plans;

(4) the restrictions on payment of dividends imposed on the Group by its financing arrangements (if any); and

(5) other factors as the Directors of the Company may consider appropriate.

No dividend has been recommended by the Board in respect of FY2022 so as to conserve the Group's cash position.

CORPORATE GOVERNANCE REPORT

PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS (including Provisions 12.1, 12.2 and 12.3 of the Code)
The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

The Board is committed to maintain a high standard of corporate governance by disclosing to its stakeholders, including its shareholders and investors, with adequate and material information concerning the Group's business development in accordance with disclosure requirements of the Listing Manual of the SGX-ST via SGXNet in a timely and fair manner.

The Board is mindful of its obligation to provide adequate and timely disclosure of all material and price-sensitive information to SGX-ST through SGXNet.

The announcements, including but not limited to the Group's unaudited half year financial results, the Group's unaudited full year financial results, and the material updates of the Group's business development (if any) prepared in accordance with disclosure requirements of the Listing Manual of the SGX-ST are also released through SGXNet in a timely manner.

The Company does not practice selective disclosure as the relevant material and price-sensitive information are released to SGX-ST through SGXNet in a timely and fair manner.

The shareholders of the Company, including institutional investors and retail investors, are encouraged to attend general meetings, especially AGM which serves as the primary channel to express their views and raise their questions regarding the Group's businesses and prospects.

In addition, Management will address shareholders' questions and concerns in respect of the Group's businesses should they approach the Company through emails or telephone calls.

The AGMs of the Company serve as the primary channel for Management to solicit and collate the views of the shareholders of the Company, including institutional investors and retail investors.

While the Company does not have a dedicated investor relations team, the Company recognises the importance of regular, effective and timely communication with the shareholders.

The Company has put in place a Stakeholder Engagement and Investor Relations Policy ("**IR Policy**") which sets out, among others, the principles, policy and framework for engaging stakeholders of the Company, avenues for communication and company contacts. The IR Policy is made available on the Company's website at http://www.cschl.com.sg.

The Company also maintains a website at http://www.cschl.com.sg where the public can access to information relating to the Company or the Group and the Company's contact details under "Contact" section. The Company continuously reviews ways to enhance its corporate reporting process and the ease of access to information released.

CORPORATE GOVERNANCE REPORT

MANAGING STAKEHOLDERS RELATIONSHIPS

PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups (*Provision 13.1 of the Code*). The Company's engagement with its material stakeholders, including goal, approach and key concerns, is set out in the Sustainability Report which will be announced on or before 31 July 2022 (*Provisions 13.1 and 13.2 of the Code*).

The Company's efforts on sustainability are focused on creating sustainable value for key stakeholders, which include environment, communities, customers, staff, regulators, and shareholders.

The Company maintains a corporate website at http://www.cschl.com.sg to communicate and engage stakeholders (*Provision 13.3 of the Code*).

DEALING IN SECURITIES

The Group has adopted internal policies that are consistent with Rule 1207(19) of the Listing Manual issued by SGX-ST in relation to dealings in the Company's securities.

The Directors, officers and employees of the Company and its subsidiaries are notified that they are prohibited from trading in the Company's securities while in possession of unpublished material price-sensitive information.

The Company and Directors, officers and employees of the Company and its subsidiaries are prohibited from dealing in the Company's securities during the periods commencing one (1) month before the announcement of the Company's half year and full year unaudited financial statements and ending after the announcement of the relevant results.

The Directors, officers and employees of the Company and its subsidiaries are also expected to observe insider-trading laws at all times even when dealing in the Company's securities within the permitted trading period. They are also discouraged from dealing in the Company's securities on short-term considerations.

Directors are required to report to the Company Secretary whenever they deal in the Company's securities and the Company will make the necessary announcements in accordance with requirements of SGX-ST.

The Company has complied with Rule 1207(19) of the Listing Manual of the SGX-ST during the financial year under review.

MATERIAL CONTRACTS

Save as disclosed in the Directors' Statement and the financial statements, no material contracts (including loans) of the Company or its subsidiaries involving the interests of the CEO or any Director or controlling shareholders subsisting at the end of the financial year have been entered into since the end of the previous financial year.

CORPORATE GOVERNANCE REPORT

INTERESTED PERSON TRANSACTIONS ("IPTs")

The Company has adopted an internal policy in respect of IPTs and has established procedures to monitor and review such transactions. All IPTs are subject to review by the AC at its quarterly meetings to ensure that such transactions are conducted on an arm's length basis and not prejudicial to the interests of the Company's shareholders. Any AC member (who is considered an interested person and/or an associate of interested person(s)) will abstain from the review and approval of transactions involving him.

The Company does not have a shareholders' mandate for IPTs.

IPTs carried out during the financial year under review under Chapter 9 of the SGX-ST's Listing Manual are as follows:

Name of interested person	Nature of relationship	Nature of transaction	Aggregate value of all IPTs during the financial year under review (excluding transactions less than S$100,000) S$'000
Tat Hong Heavyequipment (Pte.) Ltd.	Note 1	Expenses relating to leases and purchase of plant and equipment	1,493
Tat Hong Plant Leasing Pte Ltd	Note 1	Expenses relating to leases	438
Tat Hong Machinery Pte Ltd	Note 1	Revenue from rental income	124

Notes:

(1) Tat Hong Heavyequipment (Pte.) Ltd. ("**THHE**"), Tat Hong Plant Leasing Pte Ltd ("**THPL**") and Tat Hong Machinery Pte Ltd ("**THM**") are related corporations of TH Investments Pte Ltd ("**THI**"), a controlling shareholder of the Company. THHE, THPL and THM are associates 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).

SUSTAINABILITY REPORTING

In accordance with the Singapore Exchange's sustainability reporting framework, the Group has established a Sustainability Team comprising the CSO and representatives from various divisions. The Sustainability Team is responsible for determining and implementing relevant practices in material environmental, social and governance sustainability; taking into account their relevance to our business, strategy, business model and key stakeholders.

We will publish our Sustainability Report by 31 July 2022. To minimise the impact on the environment, the report will be published online via our website at http://www.cschl.com.sg and uploaded via SGXNet.

DIRECTORS' STATEMENT

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 March 2022.

In our opinion:

(a) the financial statements set out on pages 79 to 168 are drawn up so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2022 and the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

DIRECTORS

The directors in office at the date of this statement are as follows:

Dr. Leong Horn Kee	(Chairman)
See Yen Tarn	(Group Chief Executive Officer)
Ong Tiew Siam	
Tan Hup Foi @ Tan Hup Hoi	
Ng San Tiong Roland	(Appointed on 2 August 2021)
Teo Beng Teck	

DIRECTORS' INTERESTS

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 (the Act), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

Name of director and corporation in which interests are held	Holdings at beginning of the year/ date of appointment	Holdings at end of the year
The Company		
See Yen Tarn		
– ordinary shares		
– deemed interest	22,449,996	22,449,996

DIRECTORS' STATEMENT

DIRECTORS' INTERESTS (CONT'D)

Name of director and corporation in which interests are held	Holdings at beginning of the year/ date of appointment	Holdings at end of the year
The Company		
Ong Tiew Siam		
– ordinary shares		
– interest held	18,000,000	18,000,000
Teo Beng Teck		
– ordinary shares		
– interest held	12,095,000	12,095,000
Ng San Tiong Roland		
– ordinary shares		
– deemed interest	1,116,648,503	1,116,648,503
A subsidiary – ICE Far East (Thailand) Co., Ltd		
See Yen Tarn		
– ordinary shares		
– interest held	1	1

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year, or at date of appointment if later, or at the end of the financial year.

There were no changes in any of the above mentioned interests in the Company between the end of the financial year and 21 April 2022.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SHARE OPTIONS

During the financial year, there were:

(i) no options granted by the Company to any person to take up unissued shares in the Company; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under options.

DIRECTORS' STATEMENT

AUDIT COMMITTEE

The members of the Audit Committee during the year and at the date of this statement are:

- Ong Tiew Siam (Chairman), independent director
- Dr. Leong Horn Kee, independent director
- Ng San Tiong Roland, non-executive director (Appointed on 2 August 2021)
- Teo Beng Teck, non-executive director
- Tan Hup Foi @ Tan Hup Hoi, independent director

The Audit Committee performs the functions specified in Section 201B of the Act, the SGX Listing Manual and the Code of Corporate Governance.

The Audit Committee has held four meetings since the last directors' statement. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- adequacy and effectiveness of the internal audit function;
- report of the internal auditor on the Group's internal control system;
- quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption;
- independence of the external auditors of the Company and the nature and extent of the non-audit services provided by the external auditors; and
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditors as required under Section 206(1A) of the Act and determined that the external auditors were independent in carrying out their audit of the financial statements. The Audit Committee has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing our auditors for the Company and subsidiaries, we have complied with Rules 712 and 715 of the SGX Listing Manual.

DIRECTORS' STATEMENT

AUDITORS

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Dr. Leong Horn Kee
Chairman

See Yen Tarn
Group Chief Executive Officer

28 June 2022

INDEPENDENT AUDITORS' REPORT

MEMBERS OF CSC HOLDINGS LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of CSC Holdings Limited ('the Company') and its subsidiaries ('the Group'), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2022, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 79 to 168.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ('the Act') and Singapore Financial Reporting Standards (International) ('SFRS(I)s') so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2022, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ('SSAs'). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ('ACRA Code') together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<u>Recognition and measurement of contract revenue, contract costs and related provisions (Refer to Notes 2.4, 22 and 23 to the financial statements)</u>

Risk:

Contract revenue is derived from the Group's construction contracts, whose single performance obligation is satisfied over time using the output method.

The contracts are long term and complex by nature and variations to the original contract terms including re-negotiation of contract price with customers are common. Any changes in contract revenues and contract costs, including liquidated damages, rectification costs and losses from onerous contracts recognised, where applicable, could result in material variances in profitability of projects from budget and actual margin which had been progressively recognised in prior periods. Russia's invasion of Ukraine ('Ukraine War') and its adverse impact on prices of commodities have also heightened the estimation uncertainties associated with contract costs and any related provisions for the outstanding projects held by the Group.

INDEPENDENT AUDITORS' REPORT

MEMBERS OF CSC HOLDINGS LIMITED

How the matter was addressed in our audit:

We evaluated the design and implementation of the Group's controls over the estimates used in project budgeting. We held discussions with senior management to understand the impact of the Ukraine War on the Group's contract costs. We assessed the financial impact of the Ukraine War on contract pricing including variable consideration, construction-related costs and provisions and identified projects that could become onerous. We verified the measurement of the progress of satisfaction of each performance obligation and the contract revenues recognised to contract terms, external survey reports, internal project status reports and other relevant supporting documents. We reviewed the reasonableness of estimates used in determining the transaction price and constraints applied by management towards the variable consideration including liquidated damages. We selected a sample of contracts for testing using qualitative and quantitative criteria, such as contracts with low or negative margins, or met with claims and other adverse developments during the financial year. We also reviewed and challenged management's assessment of the outstanding projects' estimated costs to complete and the reasonableness of provisions for rectification costs and onerous contracts, where needed.

Impairment of trade receivables and contract assets (Refer to Notes 14 and 28 to the financial statements)

Risk:

The Group's trade receivables and contract assets (collectively, the 'contract receivables') amounted to $56 million and $73 million (2021: $46 million and $62 million) respectively as at 31 March 2022. At each reporting date, the Group identifies the contract receivables that are credit-impaired and determines the specific loss allowance. Insofar as the contract receivables that are not credit-impaired, the Group measures loss allowances at the amounts equal to lifetime expected credit losses ('ECLs').

The assumptions about the risk of default and expected loss rates on these contract receivables are highly judgemental.

How the matter was addressed in our audit:

We reviewed all credit-impaired contract receivables identified by management, and examined the adequacy of the specific loss allowances. We evaluated the simplified lifetime ECL model applied by management towards the non-credit impaired contract receivables. We evaluated management's segmentation of the customer base into respective credit risk rating classes. We checked the expected credit loss rate applied by comparing to market observable information, and performed a re-computation.

Impairment of property, plant and equipment (Refer to Note 4 to the financial statements)

Risk:

As the ongoing COVID-19 pandemic continues to create uncertainties over the macro and micro economic environment, the Ukraine War has exacerbated the impact on the global economy with higher commodity prices and further supply chain disruptions. As a result, management has identified the existence of impairment indicators and carried out an impairment assessment on its property, plant and equipment. As at 31 March 2022, the Group's carrying amounts of property, plant and equipment largely consisted of freehold and leasehold land and properties of $19 million (2021: $10 million) and plant and machinery of $106 million (2021: $112 million).

With respect to freehold and leasehold land and properties, which are already measured using the revaluation model that is subject to regular frequency of revaluation, the Group believes that the external market valuations obtained for these properties remain relevant to support its asset impairment test.

With respect to plant and machinery, there is an active secondary market for the second-hand equipment and machineries. Where trade prices are used as the fair values, the external valuers considered the recent traded prices and incorporated relevant adjustments to arrive at the fair values for the Group's plant and machinery on a comparable basis. These adjustments are judgementally determined by the valuers considering the size, specifications and age of the equipment and machineries.

INDEPENDENT AUDITORS' REPORT

MEMBERS OF CSC HOLDINGS LIMITED

How the matter was addressed in our audit:

We evaluated the competence, capabilities and objectivity of the external valuers and held discussions with the external valuer to understand their valuation approaches.

For freehold and leasehold land and properties, we considered the valuation methodology used against those applied by valuers for similar property types. We compared the external valuations against recently transacted prices of comparable land and properties located in the same vicinity.

For plant and machinery, we compared the external valuations against the market observable data and challenged the basis of those relevant adjustments incorporated by the valuers.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained the directors' statement prior to the date of this auditors' report. The remaining other information are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining other information that are expected to be made available to us after the date of this auditors' report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

INDEPENDENT AUDITORS' REPORT

MEMBERS OF CSC HOLDINGS LIMITED

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

MEMBERS OF CSC HOLDINGS LIMITED

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Karen Lee Shu Pei.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
28 June 2022

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

	Note	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Non-current assets					
Property, plant and equipment	4	128,642	124,983	–	–
Right-of-use assets	5	3,015	4,594	120	431
Goodwill	6	552	552	–	–
Investment property	7	122	212	–	–
Investments in:					
– subsidiaries	8	–	–	89,904	89,904
– associates	10	3,080	3,260	–	–
Other investments	12	–	162	–	–
Contract assets	23	12,982	11,679	–	–
Trade and other receivables	14	6,961	3,856	13,000	10,531
Deferred tax assets	20	29	42	579	352
		155,383	149,340	103,603	101,218
Current assets					
Inventories	13	27,183	31,444	–	–
Contract assets	23	59,841	50,485	–	–
Trade and other receivables	14	66,908	58,640	19,718	17,966
Tax recoverable		420	414	–	–
Cash and cash equivalents	15	34,362	34,604	854	3,458
		188,714	175,587	20,572	21,424
Assets held for sale	16	–	581	–	–
		188,714	176,168	20,572	21,424
Total assets		344,097	325,508	124,175	122,642
Equity attributable to owners of the Company					
Share capital	17	94,089	94,089	94,089	94,089
Reserves	18	25,768	26,368	16,921	13,544
		119,857	120,457	111,010	107,633
Non-controlling interests	9	25,703	27,234	–	–
Total equity		145,560	147,691	111,010	107,633
Non-current liabilities					
Loans and borrowings	19	30,293	17,756	1,669	2,526
Trade and other payables	21	6,389	–	–	–
Deferred tax liabilities	20	2,298	2,052	–	–
		38,980	19,808	1,669	2,526
Current liabilities					
Loans and borrowings	19	64,729	63,662	851	928
Contract liabilities	23	299	574	–	–
Trade and other payables	21	88,212	85,746	10,645	11,555
Provisions	22	5,872	7,747	–	–
Current tax payable		445	280	–	–
		159,557	158,009	11,496	12,483
Total liabilities		198,537	177,817	13,165	15,009
Total equity and liabilities		344,097	325,508	124,175	122,642

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

YEAR ENDED 31 MARCH 2022

	Note	2022 $'000	2021 $'000
Revenue	23	268,740	178,333
Cost of sales		(241,024)	(167,465)
Gross profit		27,716	10,868
Other income		1,746	3,863
Distribution expenses		(1,213)	(674)
Administrative expenses		(24,126)	(21,935)
Other operating expenses		(538)	(646)
Impairment loss recognised on trade and other receivables and contract assets		(986)	(2,353)
Results from operating activities		2,599	(10,877)
Finance income		1,888	2,020
Finance expenses		(3,149)	(3,186)
Net finance expenses	24	(1,261)	(1,166)
Share of loss of associates (net of tax)		(76)	(317)
Profit/(Loss) before tax		1,262	(12,360)
Tax expense	25	(616)	(3)
Profit/(Loss) for the year	26	646	(12,363)
Profit/(Loss) attributable to:			
Owners of the Company		661	(10,955)
Non-controlling interests		(15)	(1,408)
Profit/(Loss) for the year		646	(12,363)
Earnings/(Loss) per share	27		
Basic earnings/(loss) per share (cents)		0.02	(0.37)
Diluted earnings/(loss) per share (cents)		0.02	(0.37)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH 2022

	2022 $'000	2021 $'000
Profit/(Loss) for the year	646	(12,363)
Other comprehensive income/(expense)		
Items that will not be reclassified to profit or loss:		
Revaluation surplus/(loss) of property, plant and equipment	1,992	(492)
Change in fair value of other investment	(161)	–
Items that are or may be reclassified subsequently to profit or loss:		
Foreign currency translation differences – foreign operations	(491)	(442)
Other comprehensive income/(expense) for the year, net of tax	1,340	(934)
Total comprehensive income/(expense) for the year	1,986	(13,297)
Total comprehensive income/(expense) attributable to:		
Owners of the Company	1,381	(11,735)
Non-controlling interests	605	(1,562)
Total comprehensive income/(expense) for the year	1,986	(13,297)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2022

	Note	Share capital $'000	Capital reserve $'000	Reserve for own shares $'000
At 1 April 2020		84,389	17,798	(2,354)
Total comprehensive expense for the year				
Loss for the year		–	–	–
Other comprehensive expense				
Foreign currency translation differences		–	–	–
Revaluation loss of property, plant and equipment		–	–	–
Transfer of revaluation surplus of property, plant and equipment upon disposal		–	–	–
Transfer of revaluation surplus of property, plant and equipment		–	–	–
Total other comprehensive (expense)/income		–	–	–
Total comprehensive expense for the year		–	–	–
Transactions with owners of the Company, recognised directly in equity				
Contributions by and distributions to owners				
Issue of shares from exercise of warrants	17	9,700	–	–
Dividends paid to non-controlling interests		–	–	–
Total contributions by and distributions to owners		9,700	–	–
Total transactions with owners of the Company		9,700	–	–
At 31 March 2021		94,089	17,798	(2,354)
At 1 April 2021		94,089	17,798	(2,354)
Total comprehensive expense for the year				
Profit/(Loss) for the year		–	–	–
Other comprehensive (expense)/income				
Foreign currency translation differences		–	–	–
Revaluation surplus of property, plant and equipment		–	–	–
Transfer of revaluation surplus of property, plant and equipment		–	–	–
Change in fair value of other investment		–	–	–
Total other comprehensive (expense)/income		–	–	–
Total comprehensive (expense)/income for the year		–	–	–
Transactions with owners of the Company, recognised directly in equity				
Contributions by and distributions to owners				
Purchase of treasury shares	17	–	–	(567)
Dividends paid to non-controlling interests		–	–	–
Total contributions by and distributions to owners		–	–	(567)
Changes in ownership interests in a subsidiary				
Acquisition of non-controlling interests without a change in control	9	–	–	–
Total changes in ownership interests in a subsidiary		–	–	–
Total transactions with owners of the Company		–	–	(567)
At 31 March 2022		94,089	17,798	(2,921)

The accompanying notes form an integral part of these financial statements.

Reserve on consolidation $'000	Foreign currency translation reserve $'000	Revaluation reserve $'000	Other reserve $'000	Accumulated profits $'000	Total attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
116	(6,137)	10,721	(920)	18,879	122,492	29,126	151,618
–	–	–	–	(10,955)	(10,955)	(1,408)	(12,363)
–	(288)	–	–	–	(288)	(154)	(442)
–	–	(492)	–	–	(492)	–	(492)
–	–	(8,546)	–	8,546	–	–	–
–	–	(298)	–	298	–	–	–
–	(288)	(9,336)	–	8,844	(780)	(154)	(934)
–	(288)	(9,336)	–	(2,111)	(11,735)	(1,562)	(13,297)
–	–	–	–	–	9,700	–	9,700
–	–	–	–	–	–	(330)	(330)
–	–	–	–	–	9,700	(330)	9,370
–	–	–	–	–	9,700	(330)	9,370
116	(6,425)	1,385	(920)	16,768	120,457	27,234	147,691
116	(6,425)	1,385	(920)	16,768	120,457	27,234	147,691
–	–	–	–	661	661	(15)	646
–	(288)	–	–	–	(288)	(203)	(491)
–	–	1,910	–	–	1,910	82	1,992
–	–	(885)	–	144	(741)	741	–
–	–	(161)	–	–	(161)	–	(161)
–	(288)	864	–	144	720	620	1,340
–	(288)	864	–	805	1,381	605	1,986
–	–	–	–	–	(567)	–	(567)
–	–	–	–	–	–	(180)	(180)
–	–	–	–	–	(567)	(180)	(747)
–	–	–	(1,414)	–	(1,414)	(1,956)	(3,370)
–	–	–	(1,414)	–	(1,414)	(1,956)	(3,370)
–	–	–	(1,414)	–	(1,981)	(2,136)	(4,117)
116	(6,713)	2,249	(2,334)	17,573	119,857	25,703	145,560

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2022

	Note	2022 $'000	2021 $'000
Cash flows from operating activities			
Profit/(Loss) for the year		646	(12,363)
Adjustments for:			
Bad debts written off/(back)	26	21	(351)
Depreciation of:			
– property, plant and equipment	4	19,899	20,753
– right-of-use assets	5	4,736	5,543
Gain on disposal of:			
– property, plant and equipment	26	(993)	(401)
– assets held for sale	26	–	(2,779)
– a subsidiary	8(i)	–	(15)
Gain on termination of lease liabilities		(2)	–
Impairment losses recognised on:			
– property, plant and equipment	4	268	12
– goodwill on consolidation	6	–	540
– trade and other receivables and contract assets	26	986	2,353
Inventories written down	13	38	271
Inventories written off	26	1	28
Net finance expenses	24	1,261	1,166
Property, plant and equipment written off	26	63	12
Provision for onerous contracts	22	157	836
Provision for rectification costs	22	32	1,729
Share of loss of associates (net of tax)	10	76	317
Tax expense	25	616	3
		27,805	17,654
Changes in:			
– Inventories		4,780	(2,659)
– Contract assets		(10,459)	16,646
– Trade and other receivables		(10,293)	8,682
– Contract liabilities		(275)	342
– Trade and other payables		8,825	(15,069)
– Provision utilised for onerous contracts		(57)	(1,036)
– Provision utilised for rectification costs		(2,007)	(1,396)
Cash generated from operations		18,319	23,164
Taxes paid		(199)	(753)
Interest received		135	217
Net cash generated from operating activities		18,255	22,628

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2022

	Note	2022 $'000	2021 $'000
Cash flows from investing activities			
Acquisition of:			
– property, plant and equipment		(14,660)	(5,944)
– investment property		(4)	(106)
– a subsidiary, net of cash acquired	8	32	–
– assets held for sale		–	(11)
Proceeds from government grants for acquisition of property, plant and equipment		–	50
Proceeds from disposal of:			
– property, plant and equipment		2,145	883
– investment property		28	33
– assets held for sale		–	17,676
Dilution of interests in a subsidiary, net of cash disposed	8(i)	–	*
Dividends received from an associate		70	–
Loan repayment from associates		–	1,893
Additional capital injection in an associate	8(i)	–	(3,800)
Shareholder's loan due from an associate		–	(4,200)
Net cash (used in)/generated from investing activities		(12,389)	6,474
Cash flows from financing activities			
Interest paid		(2,989)	(3,107)
Acquisition of non-controlling interests of a subsidiary	9	(3,292)	–
Dividends paid to non-controlling interests of a subsidiary		(180)	(330)
Proceeds from:			
– bank loans		20,966	38,551
– refinancing of lease liabilities		13,184	1,800
– bills payable		140,938	84,313
– issue of shares from exercise of warrants, net of expenses		–	9,700
Purchase of treasury shares	17	(567)	–
Repayment of:			
– bank loans		(24,283)	(32,252)
– bills payable		(132,652)	(95,840)
– lease liabilities		(16,337)	(14,802)
Changes in fixed deposit pledged		(450)	–
Net cash used in financing activities		(5,662)	(11,967)
Net increase in cash and cash equivalents		204	17,135
Cash and cash equivalents at 1 April		31,326	14,302
Effect of exchange rate fluctuations on cash held		(164)	(111)
Cash and cash equivalents at 31 March	15	31,366	31,326

* Less than $1,000.

Significant non-cash transactions

(a) During the financial year, the Group acquired property, plant and equipment with an aggregate cost of $17,971,000 (2021: $8,397,000), of which $3,876,000 (2021: $Nil) was acquired by means of hire purchase arrangements. At reporting date, the unpaid liabilities from the purchase of property, plant and equipment amounted to $1,206,000 (2021: $3,384,000). The unpaid liabilities for prior year's acquisition of property, plant and equipment amounting to $1,771,000 (2021: $881,000) were paid during the financial year.

(b) During the financial year, the Group disposed of property, plant and equipment with a carrying amount of $1,577,000 (2021: $482,000) for a sale consideration of $2,570,000 (2021: $883,000), of which $425,000 (2021: $Nil) has yet to be received as at reporting date.

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 28 June 2022.

1. DOMICILE AND ACTIVITIES

CSC Holdings Limited ('the Company') is a company incorporated in the Republic of Singapore. The address of the Company's registered office is 120 Pioneer Road, #04-01, Singapore 639597.

The financial statements of the Group as at and for the year ended 31 March 2022 comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities') and the Group's interests in equity-accounted investees.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are set out in note 8 to the financial statements.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ('SFRS(I)'). The changes to significant accounting policies are described in note 2.5.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

These 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.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following note:

- Note 4 – Classification of plant and equipment as property, plant and equipment or inventories

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

2. BASIS OF PREPARATION (CONT'D)

2.4 Use of estimates and judgements (cont'd)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included in the following notes:

- Note 4 – Estimation of recoverable amounts of property, plant and equipment;
- Note 8 – Measurement of impairment losses on interests in subsidiaries;
- Note 13 – Measurement of net realisable value on inventories;
- Note 22 – Recognition and measurement of provisions for rectification costs and onerous contracts;
- Note 23 – Estimation of revenue recognised for construction contracts; and
- Note 28 – Measurement of expected credit loss ('ECL') allowance for trade and other receivables and contract assets.

Impact of COVID-19 and Ukraine War

Despite the recovery in construction activities due to the easing of COVID-19 measures in the countries in which the Group operates, the Group continues to face challenges from supply chain disruptions arising from COVID-19 lockdowns in some cities in China and soaring commodity prices due to the Ukraine War. As the geopolitical situation continues to evolve, there is significant uncertainty over the full range of possible effects on the Group's financial and liquidity positions.

The Group has considered and estimated the impact of these challenges on the Group's financial position and performance, especially in relation to the following assessments:

- impairment assessment of its property, plant and equipment and inventories; and
- determination of provisions for rectification costs and onerous contracts.

In developing the assumptions relating to the possible future uncertainties in the global economic conditions, the Group has, as at the date of these financial statements, used internal and external sources, including economic forecasts and estimates from market sources. However, the impact assessment is a continuing process and the Group will continue to monitor any material changes to future economic conditions.

Details on the areas that involve critical judgement and significant estimation uncertainties and disclosures on assumptions and sensitivity disclosures are also highlighted in the notes indicated above.

The Group's operations are largely project-focused and hence, liquidity requirements and cash flow positions are subject to fluctuations and market exposures. As the Group's earnings and operating cashflows continue to be affected by the challenging operating environment, the Group continues to focus on capital and cashflow management, including adopting a cautious approach to project budgeting and tendering, cost-cutting measures and actively seeking to enhance their financing facilities. These are expected to equip the Group with sufficient cash flows and financial resources to meet its obligations as and when they fall due. Details of the Group's liquidity risk management and available facilities are disclosed under the Liquidity risk section in note 28.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

2. BASIS OF PREPARATION (CONT'D)

2.4 Use of estimates and judgements (cont'd)

Measurement of fair values

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.

The Group has an established control framework with respect to the measurement of fair values. All significant fair value measurements, including Level 3 fair values, significant unobservable inputs and valuation adjustments, are reviewed regularly and reported directly to the Group Chief Financial Officer.

If third party information, such as broker quotes or pricing services, is used to measure fair values, then the finance team assesses and documents the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of SFRS(I), including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market 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 fall into 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.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 4 – Property, plant and equipment;
- Note 28 – Financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

2. BASIS OF PREPARATION (CONT'D)

2.5 Changes in accounting policies

New standards and amendments

The Group has applied the following amendments to SFRS(I)s for the first time for the annual period beginning on 1 April 2021:

- *COVID-19-Related Rent Concessions (Amendments to SFRS(I) 16)*
- *Interest Rate Benchmark Reform – Phase 2 (Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16*

Other than the amendments relating to the interest rate benchmark reform – Phase 2 Amendments, the application of these amendments to standards and interpretations does not have a material effect on the financial statements.

The Group applied the Phase 2 amendments retrospectively. However, in accordance with the exceptions permitted in the Phase 2 amendments, the Group has elected not to restate comparatives for the prior periods to reflect the application of these amendments. Since the Group had no transactions for which the benchmark rate had been replaced with an alternative benchmark rate as at 31 March 2021, there is no impact on opening equity balances as a result of retrospective application.

Specific policies applicable from 1 April 2021 for interest rate benchmark reform

The Phase 2 amendments provide practical relief from certain requirements in FRS Standards. These reliefs relate to modifications of financial instruments and lease contracts or hedging relationships triggered by a replacement of a benchmark interest rate in a contract with a new alternative benchmark rate.

If the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changes as a result of interest rate benchmark reform, then the Group updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

If changes are made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, then the Group first updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. Subsequently, the Group applies the policies on accounting for modifications to the additional changes.

The amendments also provide an exception to use a revised discount rate that reflects the change in interest rate when remeasuring a lease liability because of a lease modification that is required by interest rate benchmark reform.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Basis of consolidation

Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I)s.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests ('NCI') and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Investments in associates (equity-accounted investees)

Associates are those entities in which the Group has significant influence, but not control over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity.

Investments in associates are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its investment in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

Joint operations

A joint operation is an arrangement in which the Group has joint control whereby the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement. The Group accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Subsidiaries and associates in the separate financial statements

Investments in subsidiaries and associates are stated in the Company's statement of financial position at cost less accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognised in profit or loss. However, foreign currency differences arising from the translation of an equity investment designated as at fair value through other comprehensive income ('FVOCI') are recognised in other comprehensive income.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in other comprehensive income, and are presented in the foreign currency translation reserve in equity.

3.3 Property, plant and equipment

Recognition and measurement

Freehold and leasehold land and properties

Freehold and leasehold land and properties are measured at cost on initial recognition and subsequently at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Property, plant and equipment (cont'd)

Recognition and measurement (cont'd)

Freehold and leasehold land and properties are revalued by an independent professional valuer with sufficient regularity such that the carrying amounts of these assets do not differ materially from that which would be determined using fair values at the reporting date. Upon revaluation, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset.

Increases in carrying amounts arising from revaluation, including currency translation differences, are recognised in other comprehensive income and presented in the revaluation reserve in equity, unless they offset previous decreases in the carrying amounts of the same asset that were recognised in profit or loss, in which case, they are recognised in profit or loss. Decrease in carrying amounts that offset previous increases of the same asset are recognised in other comprehensive income and presented in the revaluation reserve in equity. All other decreases in carrying amounts are recognised in profit or loss.

Some of the revaluation reserve may be transferred as the asset is used by the Group. The amount of surplus transferred is the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Transfers from revaluation surplus to accumulated profits are not made through profit or loss. When a revalued freehold and leasehold land and property is sold, any related amount included in the revaluation reserve is transferred to accumulated profits.

Plant and equipment

All other items of plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

If significant parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

When the use of the property, plant and equipment changes such that it is reclassified as inventory, its carrying amount at the date of reclassification becomes its cost for subsequent accounting.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Property, plant and equipment (cont'd)

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives (or lease term, if shorter) of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Freehold land is not depreciated.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

Leasehold land and properties	9 to 45.4 years
Plant and machinery	3 to 25 years
Office equipment, renovations and furniture and fittings	3 to 10 years
Motor vehicles and containers	5 or 10 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.4 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component for all leases.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Leases (cont'd)

As a lessee (cont'd)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

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

The Group determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents lease liabilities in 'loan and borrowings' in the statements of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Leases (cont'd)

As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, then the Group applies SFRS(I) 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in SFRS(I) 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'revenue'.

3.5 Goodwill

Goodwill arises upon the acquisition of subsidiaries. For the measurement of goodwill at initial recognition, see note 3.1.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

3.6 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each item of investment property. Depreciation is recognised from the date that the investment property is ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use. The estimated useful live of investment property is 99 years. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables and debt investments issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset, on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest (cont'd)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost. These financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Group enters into transactions whereby it transfers assets recognised in its statements of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Financial instruments (cont'd)

(iii) Derecognition (cont'd)

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short term bank deposits. For the purpose of the statement of cash flows, pledged deposits are excluded whilst bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

(vi) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own shares account. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in non-distributable capital reserve.

3.8 Impairment

(i) Non-derivative financial assets and contract assets

The Group recognises loss allowances for expected credit losses ('ECLs') on:

- financial assets measured at amortised cost;
- lease receivables; and
- contract assets (as defined in SFRS(I) 15).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Impairment (cont'd)

(i) Non-derivative financial assets and contract assets (cont'd)

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or

- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables (including lease receivables) and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or.

- the financial asset remains outstanding for more than the reasonable range of past due days, taking into consideration historical payment track record, current macroeconomic situation as well as general industry trend.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Impairment (cont'd)

(i) Non-derivative financial assets and contract assets (cont'd)

The Group considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statements of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Impairment (cont'd)

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories, contract assets and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated each year at the same time, and as and when indicators of impairment are identified. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ('CGU') exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

An impairment loss in respect of an associate is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount and only to the extent that the recoverable amount increases.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Inventories

Equipment and machinery, spare parts and raw materials

Inventories are measured at the lower of cost and net realisable value. The cost of inventories includes expenditure incurred in acquiring the inventories, and other costs incurred in bringing them to their existing location and condition. The cost of equipment and machinery is determined on specific identification cost basis. Cost of raw materials and spare parts is calculated using weighted average cost basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

When the use of the inventory changes such that it is reclassified as property, plant and equipment, its carrying amount at the date of reclassification becomes its cost for subsequent accounting.

3.10 Non-current assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are highly probable to be recovered primarily through sale or distribution rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, the assets, or disposal group, classified as held for sale are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Property, plant and equipment and right-of-use assets once classified as held for sale are not amortised or depreciated.

3.11 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on incremental costs necessary to fulfil the obligation under the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

Rectification costs

A provision for rectification costs is recognised when the foundation and geotechnical engineering services are performed. The provision is based on actual costs to be incurred for completed projects and estimated costs to be incurred for projects that are still ongoing.

3.13 Financial guarantee contracts

Financial guarantee contracts are accounted for as insurance contracts and treated as contingent liabilities until such time as they become probable that the Company will be required to make a payment under the guarantee. A provision is recognised based on the Group's estimate of the ultimate cost of settling all claims incurred but unpaid at the reporting date. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

3.14 Revenue

Revenue from sale of goods and services is recognised in the ordinary course of business when the Group satisfies a performance obligation ('PO') by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The individual standalone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

The transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Revenue (cont'd)

The Group also considers when a transaction contains a significant financing component. The transaction price is required to be adjusted for the time value of money using a discount rate that would be reflected in a separate financing transaction between the entity and its customer at contract inception ('market rate'). The market rate would reflect the credit characteristics of the party receiving financing in the contract.

The Group accounts for modifications to the scope or price of a contract as separate contracts if the modification adds distinct goods or services at their stand-alone selling prices. For contract modifications that add distinct goods or services but not at their stand-alone selling prices, the Group combines the remaining consideration in the original contract with the consideration promised in the modification to create a new transaction price that is then allocated to all remaining performance obligations to be satisfied. For contract modifications that do not add distinct goods or services, the Group accounts for the modification as continuation of the original contract and recognises as a cumulative adjustment to revenue at the date of modification.

Construction contracts

A contract with a customer is classified by the Group as a construction contract when the contract relates to work on foundation and geotechnical engineering services under the control of the customer and therefore the Group's construction activities create or enhance an asset under the customer's control.

When the outcome of a PO can be reasonably measured, construction revenue is recognised over time as each PO is satisfied and when the Group has an enforceable right to payment for performance completed to date. The progress towards the completed satisfaction of each PO is measured using the output method based on direct measurements of the value of services delivered or surveys of work performed.

The likelihood of the Group suffering contractual penalties for late completion are taken into account in making these estimates, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Progress billings to the customer are typically triggered upon achievement of specified construction milestones. A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract for which advanced payments have been received or due from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

Trading of plant and equipment

Revenue from trading of plant and equipment are measured at the fair value of the consideration received or receivable, excluding estimates (subject to constraints) of variable consideration such as returns, trade discounts and volume rebates. Revenue is recognised at the point in time when the Group satisfies a PO by transferring the control over the promised good to the customer.

Rental income

Rental income receivable under operating leases is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income to be received. Contingent rentals are recognised as income in the accounting period in which they are earned.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Government grants

Government grants related to assets are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. For grants relating to acquisition of long-term assets, the grant received is offset against the cost of the long-term assets and reduces future depreciation or amortisation expenses. For grants relating to qualified expenditure, these grants are recognised in profit or loss as deduction from the related expenses on a systematic basis in the same period in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

3.16 Finance income and finance costs

Finance income comprises mainly interest income on funds invested and imputed interest on non-current trade and other receivables and contract assets. Finance costs comprise interest expenses on borrowings and financial liabilities and imputed interest on non-current trade and other payables that are recognised in profit or loss.

Interest income or expense is recognised as it accrues in profit or loss, using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.17 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under *SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets.*

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects uncertainty related to income taxes, if any.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.17 Tax (cont'd)

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

3.18 Earnings per share

The Group presents basic and diluted earnings per share ('EPS') data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.19 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Board of Directors, who is the Group's chief operating decision maker, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's Board of Directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and tax assets and liabilities.

Segment capital expenditure is the total costs incurred during the year to acquire property, plant and equipment.

3.20 New standards and interpretations not adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 April 2021 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these financial statements.

The following amendments to SFRS(I)s are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position.

- *SFRS(I) 17 Insurance Contracts* and amendments to *SFRS(I) 17 Insurance Contracts*
- *Classification of Liabilities as Current or Non-current* (Amendments to SFRS(I) 1-1)
- *Covid-19-Related Rent Concessions beyond 30 June 2021* (Amendment to SFRS(I) 16)
- *Reference to the Conceptual Framework* (Amendments to SFRS(I) 3)
- *Property, plant and equipment – Proceeds before Intended Use* (Amendments to SFRS(I) 1-16)
- *Onerous Contracts – Cost of Fulfilling a Contract* (Amendments to SFRS(I) 1-37)
- *Annual Improvements to SFRS(I)s 2018-2020*
- *Disclosure of Accounting Policies* (Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2)
- *Definition of Accounting Estimates* (Amendments to SFRS(I) 1-8)
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* (Amendments to SFRS(I) 1-12)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

4. PROPERTY, PLANT AND EQUIPMENT

	Freehold land $'000	Leasehold land and properties $'000	Plant and machinery $'000	Office equipment, renovations and furniture and fittings $'000	Motor vehicles and containers $'000	Total $'000
Group						
Cost/valuation						
At 1 April 2020	890	10,500	351,839	13,808	5,359	382,396
Additions	–	20	7,930	393	54	8,397
Reclassification from inventories	–	–	7,159	–	–	7,159
Reclassification from assets held for sale	–	–	622	–	–	622
Revaluation	–	(492)	–	–	–	(492)
Elimination of accumulated depreciation against cost on revaluation	–	(828)	–	–	–	(828)
Disposals/write-offs	–	–	(2,254)	(56)	(645)	(2,955)
Transfer to inventories	–	–	(7,764)	–	–	(7,764)
Effect of movements in exchange rates	(14)	–	(1,467)	(39)	(14)	(1,534)
At 31 March 2021	876	9,200	356,065	14,106	4,754	385,001
Additions	305	7,797	8,425	1,096	348	17,971
Reclassification from inventories	–	–	7,055	–	–	7,055
Revaluation	757	1,235	–	–	–	1,992
Elimination of accumulated depreciation against cost on revaluation	–	(735)	–	–	–	(735)
Disposals/write-offs	–	–	(10,478)	(28)	(364)	(10,870)
Transfer to inventories	–	–	(1,959)	–	–	(1,959)
Effect of movements in exchange rates	(7)	–	(1,410)	(50)	(15)	(1,482)
At 31 March 2022	1,931	17,497	357,698	15,124	4,723	396,973

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land $'000	Leasehold land and properties $'000	Plant and machinery $'000	Office equipment, renovations and furniture and fittings $'000	Motor vehicles and containers $'000	Total $'000
Group						
Accumulated depreciation and impairment losses						
At 1 April 2020	–	–	234,577	11,627	3,726	249,930
Depreciation charge for the year	–	828	18,904	544	477	20,753
Impairment losses	–	–	12	–	–	12
Reclassification from assets held for sale	–	–	315	–	–	315
Elimination of accumulated depreciation against cost on revaluation	–	(828)	–	–	–	(828)
Disposals/write-offs	–	–	(1,773)	(56)	(632)	(2,461)
Transfer to inventories	–	–	(6,900)	–	–	(6,900)
Effect of movements in exchange rates	–	–	(764)	(27)	(12)	(803)
At 31 March 2021	–	–	244,371	12,088	3,559	260,018
Depreciation charge for the year	–	788	18,144	577	390	19,899
Impairment losses	–	–	268	–	–	268
Elimination of accumulated depreciation against cost on revaluation	–	(735)	–	–	–	(735)
Disposals/write-offs	–	–	(8,872)	(26)	(332)	(9,230)
Transfer to inventories	–	–	(1,202)	–	–	(1,202)
Effect of movements in exchange rates	–	–	(638)	(37)	(12)	(687)
At 31 March 2022	–	53	252,071	12,602	3,605	268,331
Carrying amounts						
At 1 April 2020	890	10,500	117,262	2,181	1,633	132,466
At 31 March 2021	876	9,200	111,694	2,018	1,195	124,983
At 31 March 2022	1,931	17,444	105,627	2,522	1,118	128,642

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Office equipment, renovations and furniture and fittings $'000
Company	
Cost	
At 1 April 2020	68
Disposals/write-offs	(47)
At 31 March 2021 and 31 March 2022	21
Accumulated depreciation	
At 1 April 2020	65
Depreciation charge for the year	3
Disposals/write-offs	(47)
At 31 March 2021 and 31 March 2022	21
Carrying amounts	
At 1 April 2020	3
At 31 March 2021 and 31 March 2022	–

(i) Included in the above are property, plant and equipment acquired under hire purchase arrangements (note 19) with the following carrying amounts:

	Group	
	2022 $'000	2021 $'000
Plant and machinery	40,566	26,916
Motor vehicles	956	993
	41,522	27,909

(ii) Leasehold land and properties of the Group with total carrying amounts of $15,844,000 (2021: $8,100,000) are mortgaged to banks as security for certain bank facilities extended by the banks to the Group (note 19).

(iii) The Group's freehold and leasehold land and properties were revalued during the year based on valuations performed by independent professional valuers. The surplus of $1,992,000 (2021: loss of $492,000) arising from the revaluations has been recognised in other comprehensive income and accumulated in equity under revaluation reserve (note 18). The fair value of land and properties has been determined based on the market approach. The valuation model analyses sales of comparable land and properties and takes into consideration adjustment of approximately 6.6% (2021: 5.8%) on the comparable sales prices for the size, remaining tenure, condition, and location of the property. The fair value measurement is categorised as Level 3 on the fair value hierarchy and a 1% increase/(decrease) in the adjustments would result in a decrease/(increase) in fair value of $116,000 (2021: $101,000) and decrease/(increase) in other comprehensive income (and revaluation reserve) of $116,000 (2021: $101,000). If the revalued land and properties had been included in the financial statements at historical cost less accumulated depreciation, the carrying amount as at 31 March 2022 would have been $16,200,000 (2021: $8,691,000).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(iv) Impairment loss is recognised when events and circumstances indicate that the plant and machinery may be impaired and the carrying amounts of the plant and machinery exceed their recoverable amounts. As a result of the challenging macro environment due to the ongoing COVID-19 pandemic and Ukraine War, the Group carried out an impairment assessment on the Group's plant and equipment. The recoverable amounts of the plant and machinery were estimated using the fair value less costs to sell approach.

Under the market approach, the fair values were based on independent appraisals undertaken by a professional valuer at the reporting date. The valuation model analyses sales of comparable plant and machinery in the secondary market and takes into consideration adjustment of approximately 41.0% (2021: 48.0%) on the comparable sales prices for the size, specifications and age of the equipment and machinery. The fair value measurement is categorised as Level 3 on the fair value hierarchy and a 1% increase/(decrease) in the adjustments would result in a decrease/(increase) in fair value of $1,000,000 (2021: $1,124,000) and decrease/(increase) in profit or loss (and accumulated profits) of $21,000 (2021: $118,000).

As a result of the determination of recoverable amounts, a total impairment loss of $268,000 (2021: $12,000) was recognised on certain plant and machinery in the sales and lease of equipment business segment. The impairment loss was recognised under other operating expenses in the consolidated statement of profit or loss.

(v) The following are the significant accounting estimates on the Group's property, plant and equipment and judgements in applying accounting policies:

Impairment assessment of plant and equipment

The Group has made substantial investments in plant and equipment for its foundation engineering and sales and lease of equipment businesses. Changes in technology, intended use of these assets and macro environment may cause the estimated period of use or value of these assets to change.

The Group considers its asset impairment accounting policy to be a policy that requires extensive applications of judgements and estimates by management.

Management judgement is required in the area of asset impairment, particularly in assessing whether an event has occurred that may indicate that the related asset values may not be recoverable and whether the carrying value of an asset can be supported by its recoverable amount.

The fair value less costs of disposal calculation is based on available data from binding sales transaction, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset, net of certain adjustments made for the specifications of the asset. Changing the adjustments made could materially affect the fair value less costs of disposal and recoverable amounts and hence, the Group's financial condition and results of operations.

Classification of assets

On initial recognition, assets purchased for own use or rental purposes are classified as property, plant and equipment and assets purchased for trading purposes are classified as inventories. Judgement is involved when assessing and ensuring that the classification appropriately reflects the economic use of the assets.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

5. LEASES

Leases as lessee

The Group leases a number of offices, storage yards and motor vehicles. These leases typically run for an initial period of 6 months to 33 years, with an option to renew the lease after that date. Lease payments are usually revised at each renewal date to reflect market rentals. None of the leases include contingent rental.

The Group leases office, yard and dormitories with contract terms of 3 months to 1 year and are considered short-term in nature. The Group also leases low-value office equipment with contract terms of 4 to 5 years. The Group has elected not to recognise right-of-use assets and lease liabilities for those leases.

Information about leases for which the Group is a lessee is presented below.

Right-of-use assets

	Land $'000	Buildings $'000	Office equipment $'000	Motor vehicles $'000	Total $'000
Group					
At 1 April 2020	234	6,457	–	1,468	8,159
Additions	–	1,553	185	240	1,978
Depreciation charge for the year	(38)	(4,659)	(31)	(815)	(5,543)
At 31 March 2021	196	3,351	154	893	4,594
At 1 April 2021	196	3,351	154	893	4,594
Additions	161	2,932	–	211	3,304
Depreciation charge for the year	(40)	(3,934)	(44)	(718)	(4,736)
Termination of lease	–	(110)	–	(37)	(147)
At 31 March 2022	317	2,239	110	349	3,015

	Buildings $'000	Office equipment $'000	Total $'000
Company			
At 1 April 2020	–	–	–
Additions	786	24	810
Depreciation charge for the year	(377)	(2)	(379)
At 31 March 2021	409	22	431
At 1 April 2021	409	22	431
Additions	71	–	71
Depreciation charge for the year	(377)	(5)	(382)
At 31 March 2022	103	17	120

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

5. LEASES (CONT'D)

Leases as lessee (cont'd)

Amounts recognised in consolidated statement of profit or loss

	Group	
	2022 $'000	2021 $'000
Interest on lease liabilities	1,141	1,137
Expenses relating to short-term leases	15,489	11,266
Expenses relating to leases of low-value assets	2	2

Amounts recognised in consolidated statement of cash flow

	Group	
	2022 $'000	2021 $'000
Total cash outflow for leases	4,294	14,139

Included in the cash outflow for leases are lease payments to a related corporation of $697,000 (2021: $814,000) for the lease of office space and yard.

Extension options

Some leases contain extension options exercisable by the Group up to 3 months before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Group has estimated that the potential future lease payments, should it exercise the extension option, would result in an increase in lease liability of $1,452,000 (2021: $2,966,000).

Leases as lessor

The Group leases out its machinery and equipment. All leases are classified as operating leases from a lessor perspective.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

5. LEASES (CONT'D)

Operating lease

The Group leases out its machinery and equipment. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Rental income from operating leases recognised by the Group during 2022 was $10,283,000 (2021: $9,034,000).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	2022 $'000	2021 $'000
Less than one year	640	350

Finance lease

The Group leases out equipment to customers, which has been classified as finance lease.

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

	2022 $'000	2021 $'000
Less than one year	2,221	4,620
One to two years	54	597
Total undiscounted lease receivables	2,275	5,217
Unearned finance income	(12)	(115)
At 31 March	2,263	5,102

6. GOODWILL

	Goodwill on consolidation $'000
Group	
Cost	
At 1 April 2020, 31 March 2021 and 31 March 2022	2,539
Accumulated impairment losses	
At 1 April 2020	1,447
Impairment loss recognised	540
At 31 March 2021 and 31 March 2022	1,987
Carrying amounts	
At 1 April 2020	1,092
At 31 March 2021 and 31 March 2022	552

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

6. GOODWILL (CONT'D)

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill has been allocated to the following cash-generating units which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes:

	2022 $'000	2021 $'000
Soil Investigation Pte Ltd ('SI')	–	–
Wisescan Engineering Services Pte Ltd ('WES')	552	552
	552	552

As the goodwill allocated to the SI cash-generating unit was fully impaired in prior year, no further impairment testing was performed in the current financial year.

In relation to the WES cash-generating unit, the Group has determined the recoverable amount based on value in use calculations. The value in use was determined by discounting the expected future cash flows generated from the continuing operations of the unit. The cash flow projections are based on financial budgets covering a five-year (2021: five-year) period.

The key assumptions used for value in use calculations are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical and current data from both external and internal sources.

	WES	
	2022 %	2021 %
Revenue growth rate	Y1: 1.4 Y2: 2.0 Y3: 3.0 Y4 – Y5: 0	Y1: 27.8 Y2: 5.0 Y3: 3.0 Y4 – Y5: 0
Terminal growth rate	0	0
Pre-tax discount rate	12.6	11.2

In the estimation of future cash flows, the Group considered the progress of its projects and expected project costs. The forecasts of future projects also took into account existing business negotiations with customers and current and expected market conditions. The terminal growth rate was determined based on management's estimate of long-term compound annual EBITDA, consistent with the assumptions that a market participant would make. The pre-tax discount rate used was estimated based on an appropriate required rate of return on invested capital and reflect the specific risks relating to the cash-generating unit.

No impairment loss was required for the WES cash-generating unit in the current year as its recoverable amount was higher than its carrying amount.

The Group believes that any reasonably possible changes in the above key assumptions relating to WES are not likely to cause its recoverable amount to be materially lower than its carrying amount.

7. INVESTMENT PROPERTY

As at 31 March 2022, the residential properties still remain under construction and hence, the fair values cannot be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2022 $'000	2021 $'000
Equity investment, at cost	134,129	134,129
Impairment losses	(44,225)	(44,225)
	89,904	89,904

The following resulted in the change in the investments in subsidiaries:

Financial year ended 31 March 2022

On 28 September 2021, the Group acquired the remaining 52.5% effective equity interest in Coldhams Alliance Pte. Ltd. ('CA') for a cash consideration of $23,000 through a wholly-owned subsidiary, CS Real Estate Investments Pte Ltd. The purchase consideration was negotiated at arm's length and on a willing-buyer willing-seller basis, after taking into consideration the unaudited net assets of CA as at 31 August 2021. As a result, the Group's effective equity interest in CA increased from 47.5% to 100%. Following the increase in shareholdings, the Group reclassified the investment in CA from an investment in an associate to an investment in a subsidiary.

From the date of acquisition to 31 March 2022, CA contributed revenue of $Nil and loss of $39,000 to the Group's results. If the acquisition had occurred on 1 April 2021, management estimated that consolidated revenue would not be affected while the consolidated profit (after tax) for the year would have been $634,000.

The acquisition represented a strategic and long-term investment in CA. The Group would be in a position to better optimise the operations and resources of both the Group and CA.

The following summaries the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	2022 $'000
Cash and cash equivalents	55
Trade and other payables	(5)
Total identifiable net assets	50
Cash consideration paid	(23)
Net cash acquired	55
Net cash inflow arising from the acquisition	32

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YEAR ENDED 31 MARCH 2022

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Financial year ended 31 March 2021

(i) As at 31 March 2020, the Group owned 100% equity interest in 2TPC Pte. Ltd., 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 classified as held for sale as at 31 March 2020. The purchase of the leasehold land and property was to be funded by amounts raised from the issuance of preference shares as detailed below.

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.

Based on the terms and conditions set out in the subscription and shareholders agreements, the shareholders' voting rights and power to participate in the investee's financial and operating policy decisions vest only in the preference shares and not the ordinary shares. Hence, with 20% of preference shares that the Group holds in 2TPCI, the Group lost control of 2TPCI and only retains significant influence over 2TPCI. As a result, on 18 May 2020, the Group reclassified the investment in 2TPCI from an investment in a subsidiary to an investment in an associate.

The effect on the Group's cash flows arising from the dilution was set out below:

	2021 $'000
Trade and other receivables	161
Cash and cash equivalents	*
Trade and other payables	(180)
Net liabilities at the date of dilution	(19)
Gain on disposal of a subsidiary	15
Less: Fair value of retained interests	(3,796)
Additional capital injection in an associate	(3,800)

* Less than $1,000

(ii) Certain non-trade amounts owing by subsidiaries of $3,000,000 were capitalised and recorded by the Company as an increase in cost of investment in the subsidiaries during the previous financial year.

(iii) A partially-owned subsidiary, ICE Far East Offshore Pte. Ltd., was struck off voluntarily in the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Impairment losses

The change in impairment losses in respect of investments in subsidiaries during the year is as follows:

	Company	
	2022 $'000	2021 $'000
At 1 April	44,225	28,175
Impairment losses recognised	–	16,050
At 31 March	44,225	44,225

In the previous financial year, the Company identified indicators of impairment on its investment in a subsidiary due to continued operating losses by that subsidiary. The Company determined the recoverable amount of the investment in subsidiary based on value in use calculations. The value in use was determined by discounting the expected future cash flows generated from the continuing operations of the subsidiary. The cash flow projections are based on financial budgets covering a five-year period.

The key assumptions used for value in use calculations are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical and current data from both external and internal sources.

	2021 %
Revenue growth rate	Y1: 142.4 Y2: 6.0 Y3 – Y5: 6.0
Terminal growth rate	0
Pre-tax discount rate	12.6

The Group considered the progress of its projects and expected project costs in the estimation of future cash flows. Revenue growth rate for the first year of projection was based on cash flows from secured projects, while the forecasts of future projects took into account of existing business negotiations with customers and current and expected market conditions, including the recovery and stabilisation of operations after COVID-19 pandemic. The terminal growth rate was determined based on management's estimate of long-term compound annual EBITDA, consistent with the assumptions that a market participant would make. The pre-tax discount rates used were estimated based on an appropriate required rate of return on invested capital and reflect the specific risks relating to the subsidiary.

As the recoverable amount of the investment in the subsidiary was lower than the carrying amount, the Company recognised an impairment loss of $16,050,000 in the financial year ended 31 March 2021.

Sensitivity analysis

The impact of possible changes at the reporting date to one of the relevant key assumptions, holding other assumptions constant, would result in a decrease in recoverable amount as follows:

	Decrease in recoverable amount 2021 $'000
Revenue growth rate (1% decrease)	5,140
Pre-tax discount rate (1% increase)	1,796

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Source of estimation uncertainty

The carrying values of investments in subsidiaries are reviewed for impairment whenever there is any indication that the investment is impaired. This determination requires significant judgement. The Company evaluates, amongst other factors, the future profitability of the subsidiary, the financial health and near-term business outlook including factors such as industry performance and operational and financing cash flows. The recoverable amounts of the investments could change significantly as a result of changes in market conditions and the assumptions used in determining the recoverable amounts.

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal activities	Principal place of business/ Country of incorporation	Effective equity interest held by the Group 2022 %	2021 %
Held by Company				
+ CS Construction & Geotechnic Pte. Ltd. and its subsidiary:	Investment holding and piling and civil engineering works	Singapore	100	100
+ CS Geotechnic Pte. Ltd.	Civil engineering, piling, foundation and geotechnical engineering works (currently dormant)	Singapore	100	100
+ CS Bored Pile System Pte. Ltd.	Bored piling works	Singapore	100	100
+ THL Engineering Pte. Ltd. and its subsidiaries:	Investment holding, sales and rental of heavy equipment, machinery and spare parts (currently dormant)	Singapore	100	100
+ THL Foundation Equipment Pte. Ltd. and its subsidiaries:	Investment holding, trading and rental of construction equipment and related parts	Singapore	55	55
+ ICE Far East Pte. Ltd. and its subsidiaries:	Investment holding, trading and rental of piling hammers and other foundation equipment	Singapore	55	46.75
* ICE Far East Sdn. Bhd.	Trading and rental of piling hammers and other foundation equipment	Malaysia	55	46.75
# ICE Far East (HK) Limited	Rental of machinery and other related services	Hong Kong	55	46.75
* ICE Far East (Thailand) Co., Ltd	Trading and rental of machinery and other related services	Thailand	55	46.75
# IMT-THL India Private Limited	Trading and rental of construction equipment and related parts	India	55	55
# THL Foundation Equipment (Philippines) Inc	Wholesale trading of equipment, spare parts and consumable items	Philippines	55	55

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiaries	Principal activities	Principal place of business/ Country of incorporation	Effective equity interest held by the Group 2022 %	2021 %
Held by Company (cont'd)				
# THL Foundation Equipment (Myanmar) Company Limited	Rental of foundation equipment and trading of construction materials	Myanmar	55	55
# Changsha THL Foundation Equipment Co., Ltd	Trading and rental of heavy equipment, machinery, spare parts and consumable items	China	55	55
# THL Vietnam Company Limited	Trading and rental of heavy equipment, machinery, spare parts and consumable items and provision of repair and other related services	Vietnam	100	–
* CS Geo (Malaysia) Sdn. Bhd.	Piling, foundation and geotechnical engineering works (currently dormant)	Malaysia	100	100
+ L&M Foundation Specialist Pte. Ltd. and its subsidiaries:	Investment holding, piling, foundation and geotechnical engineering works	Singapore	100	100
# L&M Foundation Specialist (Vietnam) Limited Company	Piling, foundation and geotechnical engineering works (in the process of liquidation)	Vietnam	100	100
* L&M Ground Engineering Sdn. Bhd.	Piling, foundation and geotechnical engineering works (currently dormant)	Malaysia	100	100
* G-Pile Sistem Sdn. Bhd. and its subsidiary:	Investment holding, piling, foundation and geotechnical engineering works	Malaysia	100	100
* GPSS Geotechnic Sdn. Bhd.	Piling, foundation and geotechnical engineering works (currently dormant)	Malaysia	100	100
+ Soil Investigation Pte. Ltd.	Soil investigation, laboratory testing, geotechnical instrumentation and monitoring works	Singapore	100	100

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiaries	Principal activities	Principal place of business/ Country of incorporation	Effective equity interest held by the Group 2022 %	2021 %
Held by* Company *(cont'd)				
+ Wisescan Engineering Services Pte. Ltd.	Land surveying, tunnel and structural deformation monitoring survey, tunnelling survey	Singapore	70	70
* CSC Ground Engineering Sdn. Bhd. and its subsidiary:	Investment holding	Malaysia	100	100
* Borneo Geotechnic Sdn. Bhd.	Piling, foundation and geotechnical engineering works	Malaysia	100	100
+ DW Foundation Pte. Ltd.	Bored piling works	Singapore	100	100
+ CS Ground Engineering (International) Pte. Ltd.	Investment holding	Singapore	100	100
+ CS Industrial Properties Pte. Ltd.	Investment holding	Singapore	100	100
+ CS Real Estate Investments Pte Ltd and its subsidiary:	Investment holding, property development, property investment, property management and other related activities	Singapore	100	100
+ Coldhams Alliance Pte. Ltd. ('CA')	Property development	Singapore	100^	47.5

\+ Audited by KPMG LLP Singapore
* Audited by other member firms of KPMG International
\# Audited by other firms of public accountants and chartered accountants (for Singapore entities) or certified public accountants. These subsidiaries are not significant as defined under Listing Rule 718 of the Singapore Exchange Listing Manual. For this purpose, a subsidiary is considered significant as defined under the Singapore Exchange Limited Listing Manual if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits
^ During the year, the Group acquired the remaining 52.5% effective interest in CA. CA was subsequently reclassified from an associate to a subsidiary (see note 10).

In prior year, although the Group owns less than half of ICE Far East Pte. Ltd. and its subsidiaries, management has determined that the Group has control over these entities by virtue of the shareholders' agreement with its other investors. Based on the terms of agreements under which these entities were established, the Group receives substantial returns related to their operations and net assets and, through the Board of Directors, has the current ability to direct the activities of these entities that most significantly affect their returns.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

9. NON-CONTROLLING INTERESTS

The following subsidiaries have non-controlling interests (NCI) that are material to the Group.

Name	Principal places of business/Country of incorporation	Operating segment	Ownership interests held by NCI 2022 %	2021 %
THL Foundation Equipment Pte. Ltd. and its subsidiaries ('THLFE Group')	Singapore	Sales and lease equipment	45	45
Wisescan Engineering Services Pte. Ltd. ('WES')	Singapore	Foundation and geotechnical engineering	30	30

The following summarised financial information of each of the Group's subsidiaries with material NCI, based on their respective financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	THLFE Group $'000	WES $'000	Intra-group elimination $'000	Total $'000
2022				
Revenue	52,438	7,907		
(Loss)/Profit	(1,395)	778		
Other comprehensive expense	(436)	–		
Total comprehensive (expense)/income	(1,831)	778		
Attributable to NCI:				
– (Loss)/Profit	(664)	233	416	(15)
– Other comprehensive income	620	–	–	620
Total comprehensive (expense)/income	(44)	233	416	605
Non-current assets	61,780	6,250		
Current assets	63,274	6,910		
Non-current liabilities	(20,136)	(1,304)		
Current liabilities	(54,883)	(2,778)		
Net assets	50,035	9,078		
Net assets attributable to NCI	24,679	2,723	(1,699)	25,703
Cash flows from operating activities	9,861	1,889		
Cash flows used in investing activities	(1,883)	(4,136)		
Cash flows (used in)/from financing activities (including dividends paid to NCI of $180,000)	(2,688)	515		
Net increase/(decrease) in cash and cash equivalents	5,290	(1,732)		

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YEAR ENDED 31 MARCH 2022

9. NON-CONTROLLING INTERESTS (CONT'D)

	THLFE Group $'000	WES $'000	Intra-group elimination $'000	Total $'000
2021				
Revenue	39,909	5,702		
(Loss)/Profit	(2,255)	998		
Other comprehensive expense	(303)	–		
Total comprehensive (expense)/income	(2,558)	998		
Attributable to NCI:				
– (Loss)/Profit	(1,248)	299	(459)	(1,408)
– Other comprehensive expense	(154)	–	–	(154)
Total comprehensive (expense)/income	(1,402)	299	(459)	(1,562)
Non-current assets	54,545	2,779		
Current assets	64,035	8,632		
Non-current liabilities	(9,330)	(286)		
Current liabilities	(54,460)	(2,225)		
Net assets	54,790	8,900		
Net assets attributable to NCI	26,671	2,670	(2,107)	27,234
Cash flows from operating activities	11,085	2,882		
Cash flows from/(used in) investing activities	40	(289)		
Cash flows used in financing activities (including dividends paid to NCI of $330,000)	(12,583)	(341)		
Net (decrease)/increase in cash and cash equivalents	(1,458)	2,252		

Acquisition of non-controlling interests of a subsidiary

ICE Far East Pte. Ltd.

On 8 April 2021, the minority shareholder of ICE Far East Pte. Ltd. and its subsidiaries ('ICE') exercised his option under the shareholders agreement dated 16 May 2011 to sell his remaining 15% equity interests in ICE for a cash consideration of $3,370,000 to THL Foundation Equipment Pte. Ltd. ('THLFE'), a 55% owned subsidiary of the Group ('the Acquisition'). The purchase consideration was negotiated at arm's length and on a willing-buyer willing-seller basis, after taking into consideration the unaudited consolidated net asset value of ICE as at 31 March 2021 and was payable in 3 tranches. The first 2 tranches, amounting to $3,292,000 were paid across May and July 2021, while the last tranche of $78,000 to be paid on the earlier of (i) 31 December 2023 or (ii) the date of finalisation of ICE's tax assessment with the local tax authorities.

The Acquisition was completed in July 2021 after the payment of the 2nd tranche, and following this, the Group's effective interest in ICE increased from 46.75% to 55%.

The carrying amount of ICE's net assets in the Group's consolidated financial statements on the date of the acquisition was $23,704,000. The Group recognised a decrease in other reserve and non-controlling interests of $1,414,000 and $1,956,000 respectively.

The following summarises the effect of changes in the Group's ownership interest in ICE:

	$'000
Carrying amount of NCI acquired	1,956
Consideration paid to NCI	(3,292)
Deferred consideration payable	(78)
Decrease in equity attributable to owners of the Company	(1,414)

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10. INVESTMENT IN ASSOCIATES

	Group 2022 $'000	Group 2021 $'000
Unquoted equity investments	3,080	3,260

Details of the associates are as follows:

Name of associate	Principal activities	Principal place of business/ Country of incorporation	Effective equity interest held by the Group 2022 %	Effective equity interest held by the Group 2021 %
WB TOP3 Development Sdn. Bhd.	Strategic investment in property development project in Malaysia	Malaysia	19	19
Coriolis Hertford Limited[1]	Strategic investor in property development project in United Kingdom	Hong Kong	21	21
Coldhams Alliance Pte. Ltd. ('CA')[2]	Strategic investor in property development project in United Kingdom	Singapore	–	47.5
2TPCI and its subsidiary ('2TPC Group')	Investment holding, real estate activities with owned or leased properties	Singapore	20	20
2TPC Pte. Ltd.	Real estate activities with owned or leased properties	Singapore	20	20

(1) This associate is not considered to be individually significant.
(2) During the year, the Group acquired the remaining 52.5% effective interest in CA and became a subsidiary (see note 8).

(i) As at 31 March 2022, the Group holds 19% equity shareholding in WB TOP3 Development Sdn. Bhd. ('WB TOP3'). Although the Group owns less than 20% interests in WB TOP3, management has assessed that it has significant influence because it participates in the financial and operating policies of WB TOP3 through its representation on the Board of Directors.

(ii) At the reporting date, the Company had issued guarantees to a bank in respect of bank facilities granted to WB TOP3 amounting to $1,538,000 (2021: $Nil) for the Group's share of bank facilities. At the reporting date, the Company does not consider it probable that a claim will be made against the Company under the guarantee.

(iii) Based on the term and conditions set out in the subscription and shareholders agreements, the shareholders' voting rights and power to participate in the investee's financial and operating policy decisions vest only in the preference shares and not the ordinary shares. Hence, with 20% of preference shares that the Group holds in 2TPCI, the Group only has significant influence over 2TPCI (see note 8(i)).

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YEAR ENDED 31 MARCH 2022

10. INVESTMENT IN ASSOCIATES (CONT'D)

The following table summarises the financial information of the Group's interests in WB TOP3 and 2TPC Group, based on its financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies. The table also analyses, in aggregate, the carrying amount and share of profit or loss and other comprehensive income of the remaining individually immaterial associates.

	WB TOP3 $'000	2TPC Group $'000	Immaterial associates $'000	Total $'000
2022				
Revenue	16	700		
Loss after tax	(522)	(389)		
Other comprehensive expense	(15)	–		
Total comprehensive expense	(537)	(389)		
Attributable to investee's shareholders	(537)	(389)		
Non-current assets	108	90,255		
Current assets	14,811	8,471		
Non-current liabilities	(13,217)	(72,922)		
Current liabilities	(3)	(12,018)		
Net assets	1,699	13,786		
Attributable to investee's shareholders	1,699	13,786		
Group's interest in net assets of investee at beginning of the year	426	2,834	–	3,260
Share of total comprehensive (expense)/income				
– (Loss)/Profit after tax	(99)	(78)	101	(76)
– Other comprehensive expense	(3)	–	–	(3)
	(102)	(78)	101	(79)
Elimination of dividend received from an associate	–	–	(70)	(70)
Others	–	–	(31)	(31)
Carrying amount of interest in investee at end of the year	324	2,756	–	3,080
2021				
Revenue	28	–		
Loss after tax	(515)	(1,284)		
Other comprehensive expense	(42)	–		
Total comprehensive expense	(557)	(1,284)		
Attributable to investee's shareholders	(557)	(1,284)		
Non-current assets	129	35,879		
Current assets	15,180	1,560		
Non-current liabilities	(13,067)	(17,057)		
Current liabilities	(6)	(6,207)		
Net assets	2,236	14,175		
Attributable to investee's shareholders	2,236	14,175		
Group's interest in net assets of investee at beginning of the year	531	–	–	531
Addition during the year	–	3,796	–	3,796
Share of total comprehensive (expense)/income				
– (Loss)/Profit after tax	(97)	(257)	37	(317)
– Other comprehensive expense	(8)	–	–	(8)
	(105)	(257)	37	(325)
Elimination of unrealised profit on transaction with an associate	–	(705)	–	(705)
Others	–	–	(37)	(37)
Carrying amount of interest in investee at end of the year	426	2,834	–	3,260

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11. JOINT OPERATION

On 12 February 2015, the Group entered into a joint venture agreement ('Agreement') with New Hope Singapore Premix Pte Ltd to acquire and develop a leasehold industrial land located at Tuas South Street 9, Plot 48.

Pursuant to the Agreement, the parties will jointly undertake to carry out the acquisition and development of the land through NH Singapore Biotechnology Pte. Ltd. ('NHBT'), a 100% owned subsidiary of NHCS Investment Pte. Ltd..

NHBT will develop modern fabrication yards and workshops to support the operations of the Group by increasing the productivity and efficiency on repair and maintenance activities conducted by the Group.

Although NHBT is a separate legal entity, the Group has classified it as a joint operation because the terms of the Agreement accord the rights and obligation of the assets and liabilities to the respective joint venture partners. Joint venture partners have joint control over NHBT, as the decisions about the relevant activities require the unanimous consent of the parties. Accordingly, the Group only recognises the assets owned and liabilities assumed by the Group, and the Group's share of the expenses.

Details of the joint operation are as follows:

Name of joint operation	Principal activities	Principal place of business/ Country of incorporation	Effective equity interest held by the Group 2022 %	2021 %
Held by CS Industrial Properties Pte. Ltd.				
# NHCS Investment Pte. Ltd. and its subsidiary:	Investment holding	Singapore	49	49
# NH Singapore Biotechnology Pte. Ltd.	Providing fabrication, repair and maintenance facilities for heavy machinery	Singapore	49	49

Audited by another firm of public accountants and chartered accountants.

At the reporting date, the Company had issued guarantees to a bank in respect of bank facilities granted to NHBT amounting to $4,032,000 (2021: $4,432,000) for the Group's share of bank facilities. At the reporting date, the Company does not consider it probable that a claim will be made against the Company under the guarantee.

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12. OTHER INVESTMENTS

	Group	
	2022 $'000	2021 $'000
Non-current investments		
Equity investments – at FVOCI	–	162
Debt investments – mandatorily at FVTPL	–	–
	–	162

Equity investments – at FVOCI

The Group designated its investment in unquoted ordinary shares equivalent to 5% of the equity interests of THAB Development Sdn Bhd ('THAB'), as equity investments at FVOCI because the equity investment represents investments that the Group intends to hold for the long-term for strategic purposes.

No dividends were recognised. No strategic investments were disposed of, relating to this investment, during the years ended 31 March 2022 and 31 March 2021.

The fair value as at 31 March 2022 is $Nil (2021: $162,000).

Debt investments – mandatorily at FVTPL

On 14 December 2017, the Group entered into an Investment Agreement (the 'Agreement'), to subscribe for $240,000 of unsecured convertible notes (the 'Notes') issued by Ackcio Pte. Ltd. ('Ackcio'). The Notes were subscribed over 6 monthly instalments of $40,000 each, commencing from January 2018.

The Notes are unsecured and bear interest of 5% per annum. The Group is entitled to elect, at its sole and absolute discretion, either (i) to redeem the Notes at the redemption price (principal amount and unpaid interest accrued) on the third anniversary of the issue date of the Notes (i.e. 14 March 2021) ('Maturity Date') or other date mutually agreed between the Group and Ackcio, or (ii) to convert the Notes into 685,714 new redeemable convertible preferences shares in the share capital of Ackcio at any time after the issue date of the Notes but before and on the Maturity Date.

The Notes were designated at fair value through profit or loss because they were managed on a fair value basis and their performance was actively monitored.

On 14 February 2021, the Group obtained an extension of the Maturity Date to 30 June 2021 and the Notes continued to be designated as fair value through profit or loss as at 31 March 2021.

On 24 June 2021, the Group converted the Notes into 834,113 preferences shares (equivalent to $282,000) in the share capital of Ackcio. The investment was re-designated as an equity investment at FVOCI.

No dividends were recognised for Ackio. No strategic investments were disposed of, relating to this investment, during the year ended 31 March 2022.

The fair value as at 31 March 2022 is $Nil (2021: $Nil).

Credit and market risks, and fair value measurement

The Group's exposure to credit and market risks, and fair value measurement are disclosed in note 28.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

13. INVENTORIES

	Group	
	2022 $'000	2021 $'000
Equipment and machinery, at cost	14,219	18,532
Equipment and machinery, at net realisable value	1,312	1,746
Spare parts	9,428	9,188
Raw materials	2,224	1,978
	27,183	31,444
Allowance for obsolete inventories	*	*
	27,183	31,444

* Less than $1,000

The cost of inventories recognised in cost of sales amounted to $97,168,000 (2021: $55,837,000).

Included in the above are inventories amounting to $3,768,000 (2021: $2,774,000) acquired under hire purchase agreements (note 19).

As at 31 March 2022, the write down of inventories to net realisable value amounted to $38,000 (2021: $271,000) for the Group. The write down has been included in other operating expenses.

There were no movements in allowance for obsolete inventories during the years ended 31 March 2022 and 31 March 2021.

Source of estimation uncertainty

For the financial year ended 31 March 2022, the Group engaged an independent valuer to assess the valuation of inventories. The net realisable value of certain inventories were estimated using the fair value less costs to sell approach. The fair value is based on the amount for which an asset could be exchanged between a willing buyer and a willing seller in an arm's length transaction, which is largely the sale prices of comparable inventories in the secondary market, taking into consideration adjustments made by the valuer for the size, specifications and age of the inventories.

A review is made on declines in net realisable value below cost which is recorded against the inventory balance for any such declines. These reviews require management to compare costs to the selling price less costs of completion and costs to make the sale to ascertain whether inventories are valued at the lower of cost and net realisable value. In any case, the net realisable value represents the best estimate of the recoverable amount and is based on the most reliable evidence available at the reporting date and inherently involves estimates regarding the future expected realisable value. The benchmarks for determining the amount of allowance or write-down include technical assessment and review of changing prices in subsequent sales.

In general, these evaluation criteria require significant judgement and any estimates formed affects the carrying amount of inventories at the reporting date. Possible changes in these estimates could result in revisions to the carrying amounts of inventories.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

14. TRADE AND OTHER RECEIVABLES

	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Non-current assets				
Trade receivables	4,516	2,601	–	–
Impairment losses	(36)	–	–	–
	4,480	2,601	–	–
Lease receivables	53	572	–	–
Amounts owing by:				
– subsidiaries (non-trade)	–	–	20,745	17,637
– impairment losses	–	–	(7,745)	(7,106)
	–	–	13,000	10,531
– THAB – other investment (non-trade)	1,865	–	–	–
– impairment losses	(153)	–	–	–
	1,712	–	–	–
Loans owing by:				
– an associate	77	78	–	–
– impairment losses	(2)	(5)	–	–
	75	73	–	–
– THAB – other investment	661	653	–	–
– impairment losses	(20)	(43)	–	–
	641	610	–	–
	6,961	3,856	13,000	10,531
Current assets				
Trade receivables	55,617	44,903	1	1
Impairment losses	(6,644)	(7,803)	(1)	(1)
	48,973	37,100	–	–
Other receivables	2,987	5,099	7	240
Impairment losses	(1)	(1)	(1)	(1)
	2,986	5,098	6	239
Lease receivables	2,210	4,530	–	–
Impairment losses	(3)	(3)	–	–
	2,207	4,527		
Loan owing by an associate	4,200	4,200	–	–

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

14. TRADE AND OTHER RECEIVABLES (CONT'D)

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Current assets (cont'd)				
Amounts owing by:				
– subsidiaries (trade)	–	–	1,640	1,467
– impairment losses	–	–	(45)	(22)
	–	–	1,595	1,445
– subsidiaries (non-trade)	–	–	18,314	16,242
– impairment losses	–	–	(853)	(278)
	–	–	17,461	15,964
– associates (non-trade)	1,342	1,355	–	1
– impairment losses	(394)	(443)	–	–
	948	912	–	1
– related corporations (trade)	488	903	–	–
– impairment losses	(5)	(8)	–	–
	483	895	–	–
– THAB – other investment (non-trade)	–	1,892	–	–
– impairment losses	–	(124)	–	–
	–	1,768	–	–
	59,797	54,500	19,062	17,649
Deposits	6,212	3,235	639	300
	66,009	57,735	19,701	17,949
Prepayments	899	905	17	17
	66,908	58,640	19,718	17,966

The non-current non-trade amounts owing by subsidiaries are unsecured, interest-free and repayable on demand. However, the Company is not expecting settlement to occur within the next 12 months.

The non-current loan owing by an associate is unsecured, interest-free and repayable on demand. However, the Group is not expecting settlement to occur within the next 12 months.

In previous year, the unsecured current loan owing by an associate bore interest of 2.49% per annum. In September 2021, the loan became interest-free.

All the outstanding current non-trade balances with subsidiaries and associates are unsecured, interest-free and repayable on demand.

The non-current loan and all non-trade amounts owing by THAB – other investment are unsecured, bear interest at 6-month Kuala Lumpur Interbank Offered Rate + 0.5% premium and are repayable on demand. However, the Group is not expecting settlement of the non-current loan and non-trade amount to occur within the next 12 months.

The Group's and the Company's exposure to credit and currency risks, and impairment losses for trade and other receivables, are disclosed in note 28.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

15. CASH AND CASH EQUIVALENTS

		Group		Company	
	Note	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Cash at bank and in hand		30,858	31,566	854	3,458
Fixed deposits		3,504	3,038	–	–
Cash and cash equivalents in the statements of financial position		34,362	34,604	854	3,458
Bank overdrafts	19	(2,396)	(3,128)		
Fixed deposits pledged		(600)	(150)		
Cash and cash equivalents in the consolidated statement of cash flow		31,366	31,326		

Fixed deposits amounting to $600,000 (2021: $150,000) were pledged to banks for bank facilities extended by the banks to the Group (note 19).

The bank overdrafts are unsecured and guaranteed by the Company.

16. ASSETS HELD FOR SALE

	Group	
	2022 $'000	2021 $'000
Assets held for sale		
Leasehold land and properties	–	581

The sale of a leasehold property with carrying amount of $100,000, which was classified as held for sale in prior year, was completed during the year. There was no gain or loss recognised in the consolidated statement of profit or loss. The sale consideration of $100,000 has not yet been received as at reporting date.

The Group classified certain leasehold properties with carrying amounts of $481,000 which were obtained as settlement of outstanding receivables, as held for sale in prior year as the Group had an active marketing campaign to dispose of the leasehold properties within the next 12 months. Due to changes in the settlement arrangement, the Group reassessed the nature of the leasehold properties during the year and subsequently reclassified the leasehold properties from 'assets held for sale' to 'trade and other receivables' as at 31 March 2022.

17. SHARE CAPITAL

	Group and Company			
	2022		2021	
	No. of shares	$'000	No. of shares	$'000
Issued and fully-paid ordinary shares with no par value:				
At 1 April	3,588,348,176	94,089	2,618,310,336	84,389
Exercise of warrants	–	–	970,037,840	9,700
At 31 March	3,588,348,176	94,089	3,588,348,176	94,089

All shares (excluding treasury shares) rank equally with regard to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

17. SHARE CAPITAL (CONT'D)

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 rights attached to the Company's shares held by the Group are suspended until those shares are reissued.

On 30 December 2015, the Company issued 403,241,241 new ordinary shares in the capital of the Company at $0.025 each and 2,016,206,205 free detachable warrants ('Rights cum Warrants Issue'). Each warrant carries the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of $0.01 and is exercisable during a five year period from the date of issue. The warrants expired on 29 December 2020.

In the previous financial year, 970,037,840 shares were issued upon exercise of 970,037,840 warrants at $0.01 each, pursuant to the Rights cum Warrants Issue. As at 31 March 2022 and 31 March 2021, there were no outstanding warrants for conversion into ordinary shares.

During the financial year, the Company completed the buy-back of 40,400,000 (2021: Nil) ordinary shares, representing 1.15% (2021: Nil%) of the issued share capital on that date, under the terms of the Share Buyback Mandate dated 14 July 2021, approved by shareholders on 29 July 2021. The shares were bought back at an average market price, including incidental costs, of $0.014 (2021: $Nil) per share, for a consideration of $567,000 (2021: $Nil). This amount is classified as a reduction in equity under 'reserve for own shares'. As at reporting date, the Company held 60,920,000 (2021: 20,520,000) of its own uncancelled shares.

Capital management

The Board's policy is to maintain an appropriate level of capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Consistent with prior year, the Board monitors capital using a gearing ratio, which is loans and borrowings (excluding lease liabilities associated with right-of-use assets) divided by total equity (including non-controlling interests).

	Note	Group 2022 $'000	Group 2021 $'000
Loans and borrowings (excluding lease liabilities associated with right-of-use assets)	19	91,949	76,653
Total equity		145,560	147,691
Gearing ratio		63%	52%

The Board also continues to monitor the level of dividends to ordinary shareholders.

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.

Except as disclosed above, the Company and its subsidiaries are not subject to externally imposed capital requirements and the subsidiaries have complied with the covenants at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

18. RESERVES

The reserves of the Group and the Company comprise the following balances:

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Capital reserve	17,798	17,798	17,798	17,798
Reserve for own shares	(2,921)	(2,354)	(2,921)	(2,354)
Reserve on consolidation	116	116	–	–
Foreign currency translation reserve	(6,713)	(6,425)	–	–
Revaluation reserve	2,249	1,385	–	–
Other reserve	(2,334)	(920)	–	–
Accumulated profits/(losses)	17,573	16,768	2,044	(1,900)
	25,768	26,368	16,921	13,544

The capital reserve represents the assigned fair value of the warrants issued by the Company and the effect of the capital reduction of the Company's ordinary shares from $0.05 to $0.01 per share during the financial year ended 31 March 2004. The capital reserve is not distributable in accordance with Regulation 142 of the Constitution of the Company.

Reserve for own shares comprises the cost of the Company's shares held by the Group (note 17).

The reserve on consolidation relates to the acquisition of non-controlling interests by a subsidiary pursuant to a scheme of restructuring in prior years.

The foreign currency translation reserve comprises:

(a) foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Company; and

(b) the exchange differences on monetary items which form part of the Group's net investment in foreign operations.

The revaluation reserve relates to:

(a) the revaluation surplus on certain property, plant and equipment (note 4(iii)) measured using the revaluation model; and

(b) the cumulative net change in the fair value of equity investments designated at FVOCI.

Other reserve relates to the changes in equity interest in subsidiaries without a change in control (i.e. represents difference between the purchase consideration and book value of the non-controlling interests).

NOTES TO THE FINANCIAL STATEMENTS

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19. LOANS AND BORROWINGS

	Note	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Non-current liabilities					
Secured bank loans		6,401	637	–	–
Unsecured bank loans		7,500	9,247	1,655	2,472
Lease liabilities		16,392	7,872	14	54
		30,293	17,756	1,669	2,526
Current liabilities					
Bank overdrafts	15	2,396	3,128	–	–
Bills payable		21,744	13,549	–	–
Secured bank loans		1,581	4,932	–	–
Unsecured bank loans		25,954	30,099	740	528
Lease liabilities		13,054	11,954	111	400
		64,729	63,662	851	928

The loans and borrowings are guaranteed by the Company, out of which $9,293,000 (2021: $8,507,000) are also guaranteed by a related corporation.

The secured bank loans and lease liabilities are secured by:

(a) a charge over the Group's leasehold land and properties (note 4) with carrying amounts of $15,844,000 (2021: $8,100,000);

(b) the Group's plant and equipment acquired under hire purchase arrangements (note 4) with a carrying amount of $41,522,000 (2021: $27,909,000);

(c) the Group's inventories acquired under hire purchase arrangements (note 13) with a carrying amount of $3,768,000 (2021: $2,774,000); and

(d) a charge over the Group's fixed deposits (note 15) amounting to $600,000 (2021: $150,000).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

19. LOANS AND BORROWINGS (CONT'D)

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Nominal interest rate %	Year of maturity	2022 Face value $'000	2022 Carrying amount $'000	2021 Face value $'000	2021 Carrying amount $'000
Group						
Secured floating rate bank loans	COF and SIBOR + 2.00 – 2.41	2024 – 2027	4,672	4,672	5,569	5,569
Secured fixed rate bank loans	2.00 – 2.75	2027	3,290	3,310	–	–
Unsecured floating rate bank loan	HIBOR/COF + 3.00	2025	420	420	–	–
Unsecured fixed rate bank loans	1.69 – 5.10	2023 – 2027	32,889	33,034	39,311	39,346
Lease liabilities	1.14 – 5.00	2023 – 2030	31,182	29,446	20,736	19,826
Bank overdrafts	BLR + 1.25	On demand	2,396	2,396	3,128	3,128
Bills payable	COF and SWAP + 1.75 – 2.25, bank offer rate + 1.50, prevailing interest rate	2023	21,744	21,744	13,549	13,549
			96,593	95,022	82,293	81,418
Company						
Secured fixed rate bank loan	2.00	2026	2,349	2,395	3,000	3,000
Lease liabilities	2.25 – 3.25	2023 – 2026	126	125	462	454
			2,475	2,520	3,462	3,454

BLR : Base Lending Rate
COF : Cost of Funds
HIBOR : Hong Kong Interbank Offered Rate
SIBOR : Singapore Interbank Offered Rate
SWAP : Bank's Swap Rate

Market and liquidity risks

Information about the Group's and the Company's exposure to interest rate, foreign currency and liquidity risks is included in note 28.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

19. LOANS AND BORROWINGS (CONT'D)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities					
	Trade and other payables $'000	Bank overdrafts $'000	Other loans and borrowings $'000	Lease liabilities $'000	Lease liabilities held for sale $'000	Total $'000
Balance at 1 April 2020	99,209	4,727	63,766	27,775	6,682	202,159
Changes from financing cash flows						
Interest paid	79	(209)	(1,840)	(1,114)	(23)	(3,107)
Proceeds from:						
– bank loans	–	–	38,551	–	–	38,551
– refinancing of lease liabilities	–	–	–	1,800	–	1,800
– bills payable	–	–	84,313	–	–	84,313
Repayment of:						
– bank loans	–	–	(32,252)	–	–	(32,252)
– bills payable	–	–	(95,840)	–	–	(95,840)
– lease liabilities	–	–	–	(14,782)	(20)	(14,802)
Total changes from financing cash flows	79	(209)	(7,068)	(14,096)	(43)	(21,337)
Effect of changes in foreign exchange rates	(1,149)	–	(74)	(62)	–	(1,285)
Other changes						
Liability-related						
Change in bank overdrafts	–	(1,599)	–	–	–	(1,599)
Change in trade and other payables	(12,393)	–	–	–	–	(12,393)
New leases	–	–	–	5,095	–	5,095
Disposal of lease liabilities	–	–	–	–	(6,662)	(6,662)
Interest expense	–	209	1,840	1,114	23	3,186
Total liability-related other changes	(12,393)	(1,390)	1,840	6,209	(6,639)	(12,373)
Balance at 31 March 2021	85,746	3,128	58,464	19,826	–	167,164
Balance at 1 April 2021	85,746	3,128	58,464	19,826	–	167,164
Changes from financing cash flows						
Interest paid	(23)	(222)	(1,603)	(1,141)	–	(2,989)
Proceeds from:						
– bank loans	–	–	20,966	–	–	20,966
– refinancing of lease liabilities	–	–	–	13,184	–	13,184
– bills payable	–	–	140,938	–	–	140,938
Repayment of:						
– bank loans	–	–	(24,283)	–	–	(24,283)
– bills payable	–	–	(132,652)	–	–	(132,652)
– lease liabilities	–	–	–	(16,337)	–	(16,337)
Total changes from financing cash flows	(23)	(222)	3,366	(4,294)	–	(1,173)
Effect of changes in foreign exchange rates	(996)	–	(253)	(27)	–	(1,276)
Other changes						
Liability-related						
Change in bank overdrafts	–	(732)	–	–	–	(732)
Change in trade and other payables	9,691	–	–	–	–	9,691
New leases	–	–	–	12,949	–	12,949
Termination of lease liabilities	–	–	–	(149)	–	(149)
Interest expense	183	222	1,603	1,141	–	3,149
Total liability-related other changes	9,874	(510)	1,603	13,941	–	24,908
Balance at 31 March 2022	94,601	2,396	63,180	29,446	–	189,623

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

20. DEFERRED TAX ASSETS AND LIABILITIES

Movements in deferred tax assets and liabilities of the Group (prior to setting off of balances) during the financial year are as follows:

	At 1 April 2020 $'000	Recognised in profit or loss (note 25) $'000	Translation differences $'000	At 31 March 2021 $'000	Recognised in profit or loss (note 25) $'000	Translation differences $'000	At 31 March 2022 $'000
Group							
Deferred tax assets							
Property, plant and equipment	(1,390)	(242)	–	(1,632)	168	–	(1,464)
Unutilised tax losses	(1,695)	(1)	1	(1,695)	946	–	(749)
Unutilised capital allowances	(479)	(216)	–	(695)	479	–	(216)
Provisions	(85)	85	*	–	(355)	–	(355)
Trade and other receivables	(52)	(50)	1	(101)	(102)	1	(202)
Others	(260)	160	1	(99)	(42)	1	(140)
Total	(3,961)	(264)	3	(4,222)	1,094	2	(3,126)
Deferred tax liabilities							
Property, plant and equipment	6,108	135	(11)	6,232	(832)	(5)	5,395

* Less than $1,000

Deferred tax assets of the Company are attributable to the following:

	Company 2022 $'000	Company 2021 $'000
Deferred tax assets		
Property, plant and equipment	*	*
Provisions	44	25
Trade and other receivables	535	327
	579	352

* Less than $1,000

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority. The amounts determined after appropriate offsetting are included in the statements of financial position as follows:

	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Deferred tax assets	(29)	(42)	(579)	(352)
Deferred tax liabilities	2,298	2,052	–	–
	2,269	2,010	(579)	(352)

NOTES TO THE FINANCIAL STATEMENTS

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21. TRADE AND OTHER PAYABLES

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Non-current liabilities				
Trade payables	6,389	–	–	–
Current liabilities				
Trade payables	62,916	58,649	7	6
Other payables	701	808	38	56
Accruals	21,034	21,242	1,177	1,132
Employee benefits	1,019	1,211	132	147
Amounts owing to:				
– subsidiaries (trade)	–	–	1,392	1,974
– subsidiaries (non-trade)	–	–	7,561	8,105
– related corporations (trade)	430	360	–	–
– related corporations (non-trade)	50	126	–	–
Financial liabilities at amortised cost	86,150	82,396	10,307	11,420
Deferred grant income	–	1,244	–	135
Deposits received	2,062	2,106	338	–
	88,212	85,746	10,645	11,555

All the outstanding non-trade balances with subsidiaries and related corporations are unsecured, interest-free and repayable on demand.

The deferred grant income related to the Jobs Support Scheme announced by the Singapore Government as part of the COVID-19 pandemic relief measures to provide wage support to employers to help retain their employees during the period of economic uncertainty. As the effects of COVID-19 pandemic on the Group's business activities and hence, the commencement of the period of economic uncertainty only occurs from 1 April 2020 to November 2021, the grant income was deferred as at 31 March 2021 and was fully recognised in the current financial year.

The Group and the Company's exposures to currency and liquidity risks related to trade and other payables are disclosed in note 28.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

22. PROVISIONS

	Onerous contracts $'000	Rectification costs $'000	Total $'000
Group			
2022			
At 1 April	700	7,047	7,747
Provisions made	157	32	189
Provisions utilised	(57)	(2,007)	(2,064)
At 31 March	800	5,072	5,872
2021			
At 1 April	900	6,714	7,614
Provisions made	836	1,729	2,565
Provisions utilised	(1,036)	(1,396)	(2,432)
At 31 March	700	7,047	7,747

It is expected that the majority of the provisions will be utilised or no longer required within the next financial year.

Onerous contracts

As the unavoidable costs on projects are expected to exceed the revenue expected to be received, the Group has made provision for onerous contracts of $800,000 as at 31 March 2022 (2021: $700,000).

Rectification costs

The Group recognised provision for rectification costs for unfinalised projects. Additional provisions were made for new projects and construction works performed during the year based on management's estimate of future obligations. Unused provisions for projects that were finalised during the year were reversed and has been included in costs of sales in the consolidated statement of profit or loss.

Source of estimation uncertainty

The provisions recognised represent management's best estimate of the expected future costs required. Significant estimates and assumptions are made in determining the provisions. Those estimates and assumptions deal with uncertainties such as: changes to timing, extent and costs required. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provisions recognised are periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs are recognised in the statements of financial position and consolidated statement of profit or loss by adjusting the provision.

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23. REVENUE

	Group 2022 $'000	Group 2021 $'000
Revenue from contracts with customers	258,457	169,299
Rental income	10,283	9,034
	268,740	178,333

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Construction contracts

Nature of goods or services	The Group provides foundation and geotechnical engineering services for private and public sector work which include residential, commercial, industrial and infrastructure projects. These projects are carried out based on specifically negotiated contracts with customers.
When revenue is recognised	The Group assessed that these construction contracts qualify for over time revenue recognition as the projects have no alternative use for the Group due to contractual restrictions, and the Group generally has enforceable rights to payment for performance completed till date. The stage of completion is assessed by reference to surveys of work performed.
Significant payment terms	Progress billings to the customer are based on a payment schedule in the contract that is dependent on the achievement of specified construction milestones. If the value of the construction services rendered exceeds progress billings from the customer, a contract asset is recognised.
Defect liability period	The Group is required to make good any defects identified during the defect liability period, typically for a period of 6 months to 3 years, depending on the contractual terms.

Trading of plant and equipment

Nature of goods or services	The Group sells plant and equipment.
When revenue is recognised	Revenue is recognised when goods are delivered to the customer and all criteria for acceptance have been satisfied.
Significant payment terms	Invoices are issued when goods are delivered to the customers and payable within 30 days.
Obligations for warranties	Only new plant and equipment sold by the Group comes with a warranty term, typically for a period of 12 months or 1,000 to 2,000 work hours, whichever is shorter. The warranty is backed by a similar warranty provided by the manufacturer.

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23. REVENUE (CONT'D)

Disaggregation of revenue

In the following table, revenue from contracts with customers is disaggregated by geographical regions and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (see note 31).

	Foundation and geotechnical engineering		Sales and lease of equipment		Total reportable segments	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Geographical regions						
Singapore	197,056	131,187	25,774	11,343	222,830	142,530
Malaysia	20,903	18,258	159	371	21,062	18,629
Thailand	–	–	2,325	681	2,325	681
India	–	–	10,395	6,815	10,395	6,815
Philippines	–	–	904	297	904	297
Hong Kong	–	–	431	171	431	171
China	–	–	509	176	509	176
Other regions	–	–	1	–	1	–
	217,959	149,445	40,498	19,854	258,457	169,299
Major revenue streams						
Construction contracts	217,489	149,053	–	–	217,489	149,053
Trading of plant and equipment	470	392	40,498	19,854	40,968	20,246
	217,959	149,445	40,498	19,854	258,457	169,299
Timing of revenue recognition						
Products transferred at a point in time	470	392	39,920	19,339	40,390	19,731
Products and services transferred over time	217,489	149,053	578	515	218,067	149,568
	217,959	149,445	40,498	19,854	258,457	169,299

Source of estimation uncertainty

Revenue recognition on an uncompleted construction contract is dependent on estimating the total outcome of the construction contract. Based on the Group's experience and the nature of the foundation engineering activity undertaken, management estimates the variable consideration to be constrained and excluded from revenue recognition at each reporting date.

In making these estimates, management has relied on the expertise of quantity surveyors to determine the progress of the construction and also on past experience of completed projects. In addition, actual outcomes in terms of total revenue may be higher or lower than that estimated at the reporting date, which would affect the level of revenue recognised in the current and future years.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

23. REVENUE (CONT'D)

Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

	2022 $'000	2021 $'000
Receivables, which are included in 'Trade and other receivables'	50,458	35,987
Contract assets	72,823	62,164
Contract liabilities	(299)	(574)

The contract assets for construction contracts primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customer.

The contract liabilities primarily relate to advance consideration received from customers for construction contracts.

Contract assets and contract liabilities are reported in the statements of financial position on a contract by contract basis at the end of each reporting period.

Significant changes in the contract assets and contract liabilities balances during the year are as follows:

	2022		2021	
	Contract assets $'000	Contract liabilities $'000	Contract assets $'000	Contract liabilities $'000
Revenue recognised that was included in the contract liability balance at the beginning of the year	–	496	–	75
Increases due to cash received, excluding amounts recognised as revenue during the year	–	(221)	–	(417)
Contract assets reclassified to trade receivables	(205,177)	–	(164,194)	–
Changes in measurement of progress	216,993	–	148,977	–
Impairment loss recognised on contract assets	(1,157)	–	(334)	–

Transaction price allocated to the remaining performance obligation

The Group applies the practical expedient in paragraph 121 of SFRS(I) 15 and does not disclose information about its remaining performance obligations if the performance obligation is part of a contract that has an original expected duration of one year or less.

At the reporting date, future revenue related to performance obligations that are unsatisfied (or partially satisfied) for construction contracts is approximately $49,070,000 (2021: $65,859,000). The Group expects that 65% (2021: 60%) of the future revenue may be recognised as revenue during the next financial year, while the remaining will be recognised in the financial year ending 31 March 2024.

Variable consideration that is constrained and therefore not included in the transaction price is excluded in the amounts presented above.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

24. FINANCE INCOME AND EXPENSES

	Group 2022 $'000	Group 2021 $'000
Interest income under effective interest method on:		
– cash and cash equivalents	29	43
– shareholder's loans to associates	12	58
– amounts owing by THAB – other investment	55	66
– others	39	50
Imputed interest on non-current trade and other receivables and contract assets	1,753	1,803
Finance income	1,888	2,020
Interest expense:		
– bank loans	(1,112)	(1,300)
– bank overdrafts	(222)	(209)
– bills payable	(491)	(540)
– lease liabilities	(1,141)	(1,137)
– others	(14)	–
Imputed interest on non–current trade and other payables	(169)	–
Finance expenses	(3,149)	(3,186)
Net finance expenses recognised in profit or loss	(1,261)	(1,166)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

25. TAX EXPENSE

	Note	Group 2022 $'000	Group 2021 $'000
Current tax expense			
Current year		619	336
Over provided in prior years		(265)	(204)
		354	132
Deferred tax expense/(credit)			
Origination and reversal of temporary differences		(85)	(745)
Under provided in prior years		347	616
	20	262	(129)
Total tax expense		616	3
Reconciliation of effective tax rate			
Profit/(Loss) for the year		646	(12,363)
Tax expense		616	3
Share of loss of associates (net of tax)		76	317
Profit/(Loss) before share of results of associates and tax expense		1,338	(12,043)
Tax using Singapore tax rate at 17% (2021: 17%)		227	(2,047)
Effect of tax rates in foreign jurisdictions		5	(607)
Tax exempt income		(349)	(2,070)
Tax incentives		(50)	(32)
Non-deductible expenses		619	1,804
Tax losses and deductible temporary differences for which deferred tax assets were not recognised		1,883	4,251
Utilisation of previously unrecognised deferred tax assets		(501)	(1,708)
Recognition of previously unrecognised deferred tax assets		(1,300)	–
Under provided in prior years		82	412
		616	3

Deferred tax assets have not been recognised in respect of the following items:

	Group 2022 $'000	Group 2021 $'000
Tax losses arising from operations in:		
– Singapore	63,061	71,969
– Others	18,592	13,754
	81,653	85,723
Deductible temporary differences		
– Singapore	70,363	67,627
– Others	10,074	8,258
	80,437	75,885

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which certain subsidiaries of the Group can utilise the benefits therefrom.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

26. PROFIT/(LOSS) FOR THE YEAR

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

	Group 2022 $'000	Group 2021 $'000
Audit fees paid or payable to:		
– auditors of the Company	(431)	(428)
– other auditors	(23)	(20)
Bad debts written (off)/back	(21)	351
Depreciation of property, plant and equipment included in:		
– cost of sales	(19,348)	(19,961)
– administrative expenses	(551)	(792)
Depreciation of right-of-use assets included in:		
– cost of sales	(3,010)	(3,805)
– administrative expenses	(1,726)	(1,738)
Directors' remuneration (excluding directors' fees)	(776)	(711)
Directors' fees	(374)	(313)
Foreign exchange loss	(1,088)	(777)
Gain on disposal of:		
– property, plant and equipment	993	401
– assets held for sale	–	2,779
– a subsidiary	–	15
Gain on termination of lease liabilities	2	–
Government grants deducted from:		
– cost of sales	2,951	8,146
– administrative expenses	927	2,514
Impairment losses recognised on:		
– property, plant and equipment	(268)	(12)
– goodwill on consolidation	–	(540)
– trade and other receivables and contract assets	(986)	(2,353)
Inventories written down	(38)	(271)
Inventories written off	(1)	(28)
Non-audit fees paid or payable to:		
– auditors of the Company	(89)	(95)
– other auditors	(25)	(30)
Property, plant and equipment written off	(63)	(12)
Salaries, bonus and other costs	(52,694)	(48,522)
Contributions to defined contribution plans	(2,810)	(2,876)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

27. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of basic earnings per share at 31 March 2022 was based on the profit attributable to ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding of 3,557,402,149 (2021: 2,938,616,242), calculated as follows:

	Group	
	2022 $'000	2021 $'000
Profit/(Loss) attributable to ordinary shareholders	661	(10,955)
	No. of shares	No. of shares
Weighted average number of:		
Issued ordinary shares at beginning of the year	3,588,348,176	2,618,310,336
Issue of shares in exercise of warrants	–	340,825,906
Ordinary shares held as treasury shares	(30,946,027)	(20,520,000)
Weighted average number of shares used to compute earnings/(loss) per share	3,557,402,149	2,938,616,242

(b) Diluted earnings/(loss) per share

The diluted earnings/(loss) per share as at 31 March 2022 and 31 March 2021 were the same as the basic earnings/(loss) per share as at that date as there were no dilutive potential ordinary shares.

28. FINANCIAL INSTRUMENTS

Overview

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

28. FINANCIAL INSTRUMENTS (CONT'D)

Risk management framework

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. Management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

In the opinion of the Board of Directors, the Group has taken appropriate quality control measures to mitigate the effect from any claims caused by product and construction defects, which may affect adversely its financial results, even though the Group is not covered by insurance against such events.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The carrying amounts of financial assets represent the Group's maximum exposures to credit risk, before taking into account any collateral held. The Group does not hold any collateral in respect of their financial assets.

Impairment losses on financial assets and contract assets recognised/(reversed) in profit or loss were as follows:

	2022 $'000	2021 $'000
Group		
Trade receivables and contract assets arising from contracts with customers	511	2,428
Trade receivables arising from rental income	509	(107)
Lease receivables	–	(7)
Loans owing by:		
– associates	(3)	(50)
– THAB – other investment	(23)	18
Amounts owing by:		
– associates (non-trade)	(34)	12
– THAB – other investment (non-trade)	29	51
– related corporations (trade)	(3)	8
	986	2,353
Company		
Amounts owing by:		
– subsidiaries (trade)	23	(396)
– subsidiaries (non-trade)	1,214	5,000
	1,237	4,604

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

28. FINANCIAL INSTRUMENTS (CONT'D)

Credit risk (cont'd)

Trade and other receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty. The Group performs ongoing credit evaluations of its counterparties' financial condition and the review includes external ratings, if they are available, and credit agency information.

In monitoring counterparty credit risk, counterparties are grouped according to their credit characteristics, including their geographic location, external credit ratings, aging profile, and existence of previous financial difficulties.

The Group does not require collateral in respect of trade receivables and contract assets. The Group does not have trade receivables and contract assets for which no loss allowance is recognised because of collateral.

For loans receivables, lease receivables, other receivables, non-trade receivables and deposits, the Group also determines if there has been a significant increase in credit risk at the reporting date by reviewing any changes in the credit characteristics of their counterparties and supplementing it with other information that could affect the counterparty's behaviour.

Exposure to credit risk

The maximum exposure to credit risk for trade and other receivables (excluding prepayments) and contract assets at the reporting date by geographic region was as follows:

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Singapore	113,636	95,548	23,479	19,944
Malaysia	21,132	18,861	9,222	8,536
Thailand	1,284	1,150	*	–
India	8,362	6,563	–	–
Vietnam	178	165	–	–
Hong Kong	601	948	–	–
Philippines	529	468	–	–
Others	71	52	–	–
	145,793	123,755	32,701	28,480

* Less than $1,000

The maximum exposure to credit risk for trade and other receivables (excluding prepayments) and contract assets at the reporting date by business segment was as follows:

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Foundation and geotechnical engineering	112,408	96,552	15,922	13,725
Trading and lease of equipment	27,505	21,472	6	14
Others	5,880	5,731	16,773	14,741
	145,793	123,755	32,701	28,480

At the reporting date, there were no significant concentrations of credit risk with any counterparties for the Group. At the reporting date, there is no significant concentration of credit risk for the Company, except for the amounts owing by subsidiaries of $32,056,000 (2021: $27,940,000).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

28. FINANCIAL INSTRUMENTS (CONT'D)

Credit risk (cont'd)

Trade and other receivables and contract assets (cont'd)

Expected credit loss assessment for counterparties

The Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections and available press information about counterparties) and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default.

The following tables provide information about the exposure to credit risk and lifetime ECLs for trade and other receivables (excluding prepayments) and contract assets:

	Weighted average loss rate %	Not credit-impaired $'000	Credit-impaired $'000	Gross carrying amount $'000	Total loss allowance $'000	Net $'000
31 March 2022						
Group						
Grade AA	–	1,017	–	1,017	–	1,017
Grade A	0.40	42,665	155	42,820	(170)	42,650
Grade B	0.25	49,915	87	50,002	(123)	49,879
Grade C	0.45	31,940	19	31,959	(143)	31,816
Grade D	36.15	20,565	11,433	31,998	(11,567)	20,431
Total gross carrying amount		146,102	11,694	157,796	(12,003)	145,793
Loss allowance		(553)	(11,450)			
		145,549	244			
Company						
Grade A	–	631	–	631	–	631
Grade D	21.23	19,958	20,757	40,715	(8,645)	32,070
Total gross carrying amount		20,589	20,757	41,346	(8,645)	32,701
Loss allowance		(897)	(7,748)			
		19,692	13,009			
31 March 2021						
Group						
Grade AA	–	2,275	–	2,275	–	2,275
Grade A	0.39	47,034	155	47,189	(184)	47,005
Grade B	0.83	21,093	318	21,411	(177)	21,234
Grade C	0.50	31,693	45	31,738	(158)	31,580
Grade D	35.27	21,910	11,556	33,466	(11,805)	21,661
Total gross carrying amount		124,005	12,074	136,079	(12,324)	123,755
Loss allowance		(659)	(11,665)			
		123,346	409			
Company						
Grade AA	–	202	–	202	–	202
Grade A	–	294	–	294	–	294
Grade D	20.93	17,753	17,639	35,392	(7,408)	27,984
Total gross carrying amount		18,249	17,639	35,888	(7,408)	28,480
Loss allowance		(299)	(7,109)			
		17,950	10,530			

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

28. FINANCIAL INSTRUMENTS (CONT'D)

Credit risk (cont'd)

Trade and other receivables and contract assets (cont'd)

Movements in allowance for impairment in respect of trade and other receivables (excluding prepayments) and contract assets

The movements in the allowance for impairment in respect of trade and other receivables (excluding prepayments) and contract assets during the year were as follows:

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Balance at 1 April	12,324	21,121	7,408	2,804
Impairment loss recognised	986	2,353	1,237	4,604
Impairment losses utilised	(1,226)	(11,130)	–	–
Effect of movements in exchange rates	(81)	(20)	–	–
Balance at 31 March	12,003	12,324	8,645	7,408

Trade and other receivables (excluding prepayments) and contract assets with contractual amounts of $1,226,000 written off during 2022 (2021: $11,130,000) are still subject to enforcement activity.

The following significant changes in the gross carrying amounts of trade and other receivables (excluding prepayments) and contract assets contributed to the changes in the impairment loss allowance during the year:

Group

- Increase in the Group's credit-impaired balance of $1,470,000 (2021: $3,228,000) are related to long outstanding balances from several customers that have encountered financial difficulties and the Group has assessed that these customers are unlikely able to pay their outstanding balances, resulting in an increase in the Group's impairment allowance of $1,635,000 (2021: $2,756,000);

- Decrease in impairment allowance of $1,145,000 (2021: $1,174,000) relates to amounts recovered from customers with previously credit-impaired balances of $1,145,000 (2021: $1,711,000);

- Increase in the Group's credit-impairment balance of $99,000 (2021: $117,000) are related to disputed balances with several customers that the Group has assessed the likelihood of recovery to be low, resulting in an increase in the Group's impairment allowance of $99,000 (2021: $110,000); and

- Increase in expected loss rates for each credit risk grade of the Group's debtors resulted in an increase in the Group's impairment allowance of $397,000 (2021: $661,000).

Company

- Increase in the Company's non-credit-impaired balance and change in expected loss rates for each credit risk grade of the Company's debtors resulted in an increase in the Company's impairment allowance of $1,237,000 (2021: $304,000); and

- In prior year, there was an increase in the Company's credit-impaired balance of $1,259,000 relating to one subsidiary which management had assessed that the said subsidiary is not able to fully settle the outstanding balance based on projected future cash flows, resulting in an increase in the Company's impairment allowance of $4,300,000.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

28. FINANCIAL INSTRUMENTS (CONT'D)

Cash and cash equivalents

The cash and cash equivalents of the Group and the Company are held with banks and financial institution counterparties, which are regulated. Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was negligible.

Intra-group financial guarantees

The principal risk to which the Company is exposed is credit risk in connection with the guarantee contracts it has issued. The credit risk represents the loss that would be recognised upon a default by the parties to which the guarantees were given on behalf of. To mitigate these risks, management continually monitors the risk and has established processes including performing credit evaluations of the parties it is providing the guarantee on behalf of. Guarantees are given to its subsidiaries, an associate and a joint operation.

There are no terms and conditions attached to the guarantee contracts that would have a material effect on the amount, timing and uncertainty of the Company's future cash flows.

The intra-group financial guarantees are eliminated in preparing the consolidated financial statements. Estimates of the Company's obligation arising from financial guarantee contracts may be affected by future events, which cannot be predicted with any certainty. The assumptions made may well vary from actual experience so that the actual liability may vary considerably from the best estimates, as presented under 'Liquidity risk' section.

Source of estimation uncertainty

In deriving the impairment losses on trade and other receivables (excluding prepayments) under the expected credit loss model, the Group is required to make estimates to reflect reasonable and supportable information about creditworthiness, which includes historical, current and forecast information. The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full. The amount and timing of recorded impairment losses would differ if the Group made different estimates and judgement.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

To ensure continuity of funding, the Group's policy is to use a mix of long-term and short-term financing. Short-term funding is obtained through overdraft, trust receipt and financing loan facilities. Long-term funding is primarily used for acquisition of property, plant and equipment. The Group evaluates various alternative financing arrangements to balance its debt leverage.

Included in total assets of the Group at the reporting date are contract assets and trade receivables totalling $129,019,000 (2021: $107,859,000). The liquidity of the Group is primarily dependent on the timely settlement of contract assets and trade receivables. The Group carefully monitors current and expected liquidity requirements to ensure that it maintains sufficient working capital and adequate external financing to meet its liquidity requirements in the short and longer term.

The Group maintains adequate short term facilities totalling approximately $124,992,000 (2021: $122,567,000) that can be drawn down to meet short term financing needs. As at reporting date, $64,271,000 (2021: $59,140,000) of the facilities had been utilised. The short term facilities attract a short term interest rate imposed by the applicable banks from time to time.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

28. FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk (cont'd)

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements:

		Cash flows			
	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	Within 2 to 5 years $'000	More than 5 years $'000
Group					
2022					
Non-derivative financial liabilities					
Secured bank loans	7,982	(8,613)	(1,784)	(6,829)	–
Unsecured bank loans	33,454	(33,974)	(26,228)	(7,746)	–
Lease liabilities	29,446	(31,182)	(14,013)	(16,589)	(580)
Bank overdrafts	2,396	(2,559)	(2,559)	–	–
Bills payable	21,744	(21,919)	(21,919)	–	–
Trade and other payables#	92,539	(92,539)	(92,539)	–	–
Recognised financial liabilities	187,561	(190,786)	(159,042)	(31,164)	(580)
2021					
Non-derivative financial liabilities					
Secured bank loans	5,569	(5,692)	(5,040)	(652)	–
Unsecured bank loans	39,346	(39,987)	(30,338)	(8,966)	(683)
Lease liabilities	19,826	(20,736)	(12,574)	(8,149)	(13)
Bank overdrafts	3,128	(3,348)	(3,348)	–	–
Bills payable	13,549	(13,663)	(13,663)	–	–
Trade and other payables#	82,396	(82,396)	(82,396)	–	–
Recognised financial liabilities	163,814	(165,822)	(147,359)	(17,767)	(696)

Excludes deposits received and deferred grant income

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

28. FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk (cont'd)

Exposure to liquidity risk (cont'd)

	Carrying amount $'000	Cash flows Contractual cash flows $'000	Within 1 year $'000	Within 2 to 5 years $'000	More than 5 years $'000
Company					
2022					
Non-derivative financial liabilities					
Unsecured bank loan	2,395	(2,473)	(781)	(1,692)	–
Lease liabilities	125	(126)	(111)	(15)	–
Trade and other payables#	10,307	(10,307)	(10,307)	–	–
Intra-group financial guarantee	–	(151,488)	(151,488)	–	–
Recognised financial liabilities	12,827	(164,394)	(162,687)	(1,707)	–
2021					
Non-derivative financial liabilities					
Unsecured bank loan	3,000	(3,155)	(578)	(2,524)	(53)
Lease liabilities	454	(462)	(407)	(55)	–
Trade and other payables#	11,420	(11,420)	(11,420)	–	–
Intra-group financial guarantee	–	(151,767)	(151,767)	–	–
Recognised financial liabilities	14,874	(166,804)	(164,172)	(2,579)	(53)

Excludes deposits received and deferred grant income

At the reporting date, the Company does not consider it probable that a claim will be made against the Company under the financial guarantees granted to the subsidiaries, an associate and a joint operation.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Group's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

<u>*Managing interest rate benchmark reform and associate risks*</u>

Overview

A fundamental review and reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'interest rate benchmark reform'). The Group has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives. The Group's main IBOR exposure at 31 March 2022 was indexed to SIBOR. In Singapore, the Steering Committee for SOR and SIBOR transition to SORA (SC-STS) together with the Association of Banks in Singapore (ABS) and Singapore Foreign Exchange Market Committee (SFEMC), has recommended the discontinuation of SOR and SIBOR and a shift towards the use of Singapore Overnight Rate Average (SORA) as the alternative interest rate benchmark in Singapore. The timeline for SORA to replace SOR and SIBOR is by the end of June 2023 and December 2024 respectively.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

28. FINANCIAL INSTRUMENTS (CONT'D)

Market risk (cont'd)

Interest rate risk (cont'd)

Non-derivative financial liabilities

The Group's IBOR exposures to non-derivative financial liabilities as at 31 March 2022 included secured and unsecured bank loans indexed to SIBOR and HIBOR. The Group is still in the process of communication with counterparties for all SIBOR and HIBOR indexed exposures and specific changes have yet been agreed.

The Group's exposure to changes in interest rates relates primarily to its interest-earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed by the Group on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates. The Group does not use derivative financial instruments to hedge its interest rate risk.

Exposure to interest rate risk

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments, as reported to the management, was as follows:

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Fixed rate instruments				
Financial assets	3,504	7,238	–	–
Financial liabilities	(65,790)	(59,172)	(2,520)	(3,454)
	(62,286)	(51,934)	(2,520)	(3,454)
Variable rate instruments				
Financial assets	2,526	2,545	–	–
Financial liabilities	(29,232)	(22,246)	–	–
	(26,706)	(19,701)	–	–

Fair value sensitivity analysis for fixed rate instruments

In the previous financial year, the Group accounted for its convertible notes, amounting to $Nil, as debt investments – mandatorily at FVTPL (see note 12). An increase/decrease of 100 basis point ('bp') in interest rate at the reporting date would not have a material effect. The remaining fixed rate financial assets and liabilities are not accounted for at fair value through profit or loss and therefore, a change in interest rates at the reporting date would not affect profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

28. FINANCIAL INSTRUMENTS (CONT'D)

Market risk (cont'd)

Interest rate risk (cont'd)

Cash flow sensitivity analysis for variable rate instruments

For the variable rate financial assets and liabilities, an increase of 50 basis point ('bp') in interest rate at the reporting date would decrease profit or loss (and equity) (before any tax effect) by the amounts shown below. A decrease in 50 bp in interest rate would have an equal but opposite effect. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2021.

	Group	
	2022 $'000	2021 $'000
Variable rate financial instruments	(134)	(99)

There is no impact on other comprehensive income and equity.

Currency risk

Risk management policy

The Group is exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of the Group's entities. The currencies in which these transactions primarily are denominated are the Euro, US Dollar, Chinese Renminbi, British Pound and Malaysian Ringgit. Exposure to foreign currency risk is monitored on an ongoing basis by the Group to ensure that the net exposure is at an acceptable level.

The Group enters into forward exchange contracts with banks from time to time to reduce the adverse impact of foreign exchange risk on the Group's profitability.

Exposure to currency risk

The summary of quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

	Euro $'000	US Dollar $'000	Chinese Renminbi $'000	British Pound $'000	Malaysian Ringgit $'000
Group					
2022					
Trade and other receivables	247	406	9,354	367	1,008
Cash and cash equivalents	1,111	902	942	3,211	3
Loans and borrowings	(1,216)	(400)	–	–	–
Trade and other payables	(202)	(1,622)	(17,486)	(37)	–
Net exposure	(60)	(714)	(7,190)	3,541	1,011
2021					
Trade and other receivables	7	1,346	133	382	1,015
Cash and cash equivalents	338	1,525	2	198	3
Loans and borrowings	–	(438)	–	–	–
Trade and other payables	(154)	(1,310)	(13,233)	(87)	(6)
Net exposure	191	1,123	(13,098)	493	1,012

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

28. FINANCIAL INSTRUMENTS (CONT'D)

Market risk (cont'd)

Currency risk (cont'd)

Sensitivity analysis

A 10% strengthening of following major currencies against the functional currency of each of the Group's entities at the reporting date would increase/(decrease) profit or loss (before any tax effect) by the amounts shown below. Similarly, a 10% weakening would have had the equal but opposite effect. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2021.

	Profit or loss	
	2022	2021
	$'000	$'000
Group		
Euro	(6)	19
US Dollar	(71)	112
Chinese Renminbi	(719)	(1,310)
British Pound	354	49
Malaysian Ringgit	101	101

There is no impact on other comprehensive income and equity.

The Group and the Company is not exposed to any significant equity price risk as at 31 March 2022 and 31 March 2021.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

28. FINANCIAL INSTRUMENTS (CONT'D)

Market risk (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.

		Carrying amount				Fair value			
	Note	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
Group									
31 March 2022									
Financial assets measured at fair value									
Equity investments – at FVOCI	12	–	–	–	–	–	–	–	–
Financial assets not measured at fair value									
Trade and other receivables#	14	72,970	–	–	72,970	–	72,970	–	72,970
Cash and cash equivalents	15	34,362	–	–	34,362				
		107,332	–	–	107,332				
Financial liabilities not measured at fair value									
Bank overdrafts	19	–	–	(2,396)	(2,396)				
Bills payable	19	–	–	(21,744)	(21,744)				
Secured bank loans	19	–	–	(7,982)	(7,982)	–	(7,985)	–	(7,985)
Unsecured bank loans	19	–	–	(33,454)	(33,454)	–	(33,492)	–	(33,492)
Trade and other payables*	21	–	–	(92,539)	(92,539)	–	(92,539)	–	(92,539)
		–	–	(158,115)	(158,115)				

Excludes prepayments
* Excludes deposits received

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

28. FINANCIAL INSTRUMENTS (CONT'D)

Market risk (cont'd)

Fair values versus carrying amounts (cont'd)

	Note	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
Group										
31 March 2021										
Financial assets measured at fair value										
Debt investments – mandatorily at FVTPL	12	–	–	–	–	–	–	–	–	–
Equity investments – at FVOCI	12	–	–	162	–	162	–	–	162	162
		–	–	162	–	162				
Financial assets not measured at fair value										
Trade and other receivables#	14	–	61,591	–	–	61,591	–	61,591	–	61,591
Cash and cash equivalents	15	–	34,604	–	–	34,604				
		–	96,195	–	–	96,195				
Financial liabilities not measured at fair value										
Bank overdrafts	19	–	–	–	(3,128)	(3,128)				
Bills payable	19	–	–	–	(13,549)	(13,549)				
Secured bank loans	19	–	–	–	(5,569)	(5,569)				
Unsecured bank loans	19	–	–	–	(39,346)	(39,346)				
Trade and other payables*	21	–	–	–	(82,396)	(82,396)				
		–	–	–	(143,988)	(143,988)				

Excludes prepayments

* Excludes deposits received and deferred grant income

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

28. FINANCIAL INSTRUMENTS (CONT'D)

Market risk (cont'd)

Fair values versus carrying amounts (cont'd)

	Note	Carrying amount: Amortised cost $'000	Carrying amount: Other financial liabilities $'000	Carrying amount: Total carrying amount $'000	Fair value: Level 1 $'000	Fair value: Level 2 $'000	Fair value: Level 3 $'000	Fair value: Total $'000
Company								
31 March 2022								
Financial assets not measured at fair value								
Trade and other receivables#	14	32,701	–	32,701	–	32,701	–	32,701
Cash and cash equivalents	15	854	–	854				
		33,555	–	33,555				
Financial liabilities not measured at fair value								
Unsecured bank loan	19	–	(2,395)	(2,395)	–	(2,404)	–	(2,404)
Trade and other payables*	21	–	(10,307)	(10,307)				
		–	(12,702)	(12,702)				
31 March 2021								
Financial assets not measured at fair value								
Trade and other receivables#	14	28,480	–	28,480	–	28,480	–	28,480
Cash and cash equivalents	15	3,458	–	3,458				
		31,938	–	31,938				
Financial liabilities not measured at fair value								
Unsecured bank loan	19	–	(3,000)	(3,000)				
Trade and other payables*	21	–	(11,420)	(11,420)				
		–	(14,420)	(14,420)				

Excludes prepayments

* Excludes deferred grant income

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

28. FINANCIAL INSTRUMENTS (CONT'D)

Market risk (cont'd)

Estimation of fair values

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

Debt investments and equity investments

In the previous financial year, 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 was determined using the net asset value of the investment. As the investment was in a net liability position, the fair value of the debt investment as at 31 March 2021 was determined to be $Nil. The estimated fair value would increase if the net asset value of the investee was higher. During the current financial year, the debt investment was converted into an equity investment (note 12). However, the fair value of the investment as at 31 March 2022 remained at $Nil as the financial position and business prospects of the investment was similar to that of 31 March 2021.

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 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 fair value of the equity investment as at 31 March 2022 was determined to be $Nil as the investment was in a net liability position. The estimated fair value would increase/(decrease) if the net monetary assets of the investee was higher/(lower).

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

28. FINANCIAL INSTRUMENTS (CONT'D)

Market risk (cont'd)

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 31 March plus an adequate credit spread, and are as follows:

	Group	
	2022	**2021**
	%	**%**
Non-current trade and other receivables and non-current contract assets	3.00	4.88
Non-current trade and other payables	2.08 – 3.30	–

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:

	Equity investments – FVOCI $'000	Debt investments – mandatorily at FVTPL $'000
Group		
2022		
At 1 April	162	–
Change in fair value	(161)	–
Effect of movements in exchange rates	(1)	–
At 31 March	–	–
2021		
At 1 April	165	–
Effect of movements in exchange rates	(3)	–
At 31 March	162	–

The reconciliation from the opening balances to the ending balances for freehold and leasehold land and properties that are revalued at each reporting date are presented in note 4.

29. 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:

	2022 $'000	2021 $'000
Capital commitment in respect of:		
– acquisition of property, plant and equipment	4,502	3,049

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

30. 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:

	Group	
	2022 $'000	2021 $'000
Short-term employee benefits	6,495	6,429
Post-employment benefits (including CPF)	313	322
	6,808	6,751

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

	Transaction value for the year ended	
	2022 $'000	2021 $'000
Professional fees	30	30

Other related party transactions

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

	Group	
	2022 $'000	2021 $'000
Companies in which a director and a substantial shareholder of the Group have substantial financial interests		
Revenue from foundation engineering works	72	86
Revenue from trading of plant and equipment	–	752
Revenue from rental and service income	196	116
Expenses related to short-term leases	(1,311)	(2,445)
Purchase of plant and equipment	(258)	(278)
Upkeep of machinery and equipment expenses	(38)	(111)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

31. SEGMENT REPORTING

(a) Business segments

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

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

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

Other operations include the sale and sublet of land, property development and fabrication, repair and maintenance services for heavy machinery. None of these segments meet any of the quantitative thresholds for determining reportable segments in 2022 or 2021.

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.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022

31. SEGMENT REPORTING (CONT'D)

(a) Business segments (cont'd)

Information about reportable segments

	Foundation and geotechnical engineering		Sales and lease of equipment		Total reportable segments	
	2022	2021	2022	2021	2022	2021
	$'000	$'000	$'000	$'000	$'000	$'000
Revenue from contracts with customers	217,959	149,445	40,498	19,854	258,457	169,299
Rental income	7	32	10,276	9,002	10,283	9,034
External revenue	217,966	149,477	50,774	28,856	268,740	178,333
Inter-segment revenue	14,064	13,139	7,352	12,850	21,416	25,989
Finance income	1,586	1,757	290	205	1,876	1,962
Finance expenses	(1,957)	(1,838)	(1,015)	(1,152)	(2,972)	(2,990)
Reportable segment profit/(loss) before tax	1,103	(7,839)	(832)	(2,474)	271	(10,313)
Reportable segment assets	197,862	190,335	119,459	107,937	317,321	298,272
Capital expenditure	11,994	7,108	5,977	1,289	17,971	8,397
Reportable segment liabilities	116,959	106,238	70,354	59,656	187,313	165,894
Other material items						
Depreciation of property, plant and equipment	(14,764)	(15,166)	(4,583)	(5,000)	(19,347)	(20,166)
Depreciation of right-of-use assets	(3,782)	(4,561)	(954)	(982)	(4,736)	(5,543)
Impairment losses (recognised)/reversed on:						
– property, plant and equipment	–	–	(268)	(12)	(268)	(12)
– goodwill on consolidation	–	(540)	–	–	–	(540)
– trade and other receivables and contract assets	(571)	(2,526)	(451)	155	(1,022)	(2,371)
Gain on disposal of:						
– property, plant and equipment	445	105	548	296	993	401
– assets held for sale	–	2,779	–	–	–	2,779
Inventories written down	–	–	(38)	(271)	(38)	(271)
Inventories written off	–	–	(1)	(28)	(1)	(28)
Provision for onerous contracts	(157)	(836)	–	–	(157)	(836)
Provision for rectification costs	(32)	(1,729)	–	–	(32)	(1,729)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

31. SEGMENT REPORTING (CONT'D)

(a) Business segments (cont'd)

Information about reportable segments (cont'd)

Reconciliations of reportable segment profit or loss, assets and liabilities and other segmental information:

	2022 $'000	2021 $'000
Finance income		
Total finance income for reportable segments	1,876	1,962
Finance income for other segments	12	58
	1,888	2,020
Finance expenses		
Total finance expenses for reportable segments	(2,972)	(2,990)
Finance expenses for other segments	(177)	(196)
	(3,149)	(3,186)
Profit or loss before tax		
Total profit/(loss) before tax for reportable segments	271	(10,313)
(Loss)/Profit before tax for other segments	(82)	74
	189	(10,239)
Elimination of inter-segment transactions	6,594	3,182
Unallocated amount:		
– other corporate expenses	(5,445)	(4,986)
Share of loss of associates	(76)	(317)
Consolidated profit/(loss) before tax	1,262	(12,360)
Depreciation of property, plant and equipment		
Total depreciation expenses for reportable segments	(19,347)	(20,166)
Depreciation expenses for other segments	(552)	(587)
	(19,899)	(20,753)
Impairment losses recognised on trade and other receivables and contract assets		
Total impairment losses for reportable segments	(1,022)	(2,371)
Impairment losses reversed for other segments	36	18
	(986)	(2,353)
Assets		
Total assets for reportable segments	317,321	298,272
Assets for other segments	21,611	19,075
	338,932	317,347
Investments in associates	3,080	3,260
Deferred tax assets	29	42
Tax recoverable	420	414
Other unallocated amounts	1,636	4,445
Consolidated total assets	344,097	325,508
Liabilities		
Total liabilities for reportable segments	187,313	165,894
Liabilities for other segments	4,269	4,661
	191,582	170,555
Deferred tax liabilities	2,298	2,052
Current tax payable	445	280
Other unallocated amounts	4,212	4,930
Consolidated total liabilities	198,537	177,817

There are no reconciling items with respect to the other items.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

31. SEGMENT REPORTING (CONT'D)

(b) Geographical segments

In presenting information on the basis of geographical segment, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

	2022		2021	
	Revenue from external customers $'000	Non-current assets $'000	Revenue from external customers $'000	Non-current assets $'000
Singapore	229,508	108,425	146,584	105,429
Malaysia	21,652	13,252	19,981	15,688
Thailand	3,388	7,689	1,851	7,807
India	10,417	268	6,815	324
Other regions	3,775	5,777	3,102	4,515
Consolidated	268,740	135,411	178,333	133,763

Non-current assets presented consist of property, plant and equipment, right-of-use assets, goodwill, investment property, investments in associates and other investments.

(c) Major customers

There are no major customers who solely account for 10% or more of the Group's total revenues.

SHAREHOLDINGS STATISTICS

AS AT 14 JUNE 2022

Class of shares	:	Ordinary Shares
Issued and fully paid-up capital (including treasury shares)	:	S$93,276,415.12
Issued and fully paid-up capital (excluding treasury shares)	:	S$90,270,564.92
Number of issued shares (including treasury shares)	:	3,588,348,176
Number of issued shares (excluding treasury shares)	:	3,521,428,176
Number/percentage of treasury shares	:	66,920,000 (1.90%)
Number/percentage of subsidiary holdings	:	Nil (0%)
Voting rights	:	One vote per ordinary share (no vote for treasury shares)

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 14 June 2022, 42.40% of the issued ordinary shares of the Company is held by the public and therefore Rule 723 of the Listing Manual is complied with.

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	63	0.71	2,154	0.00
100 – 1,000	203	2.27	158,137	0.01
1,001 – 10,000	2,684	30.06	19,874,144	0.55
10,001 – 1,000,000	5,811	65.09	507,325,025	14.14
1,000,001 and above	167	1.87	3,060,988,716	85.30
	8,928	100.00	3,588,348,176	100.00

TOP 20 SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	% *
1	Citibank Nominees Singapore Pte Ltd	959,365,188	27.24
2	Phillip Securities Pte Ltd	563,480,042	16.00
3	Khoo Yok Kee or Chiu Hong Keong	309,213,500	8.78
4	DB Nominees (S) Pte Ltd	206,379,900	5.86
5	DBS Nominees Pte Ltd	115,822,292	3.29
6	UOB Kay Hian Pte Ltd	75,136,300	2.13
7	Maybank Securities Pte. Ltd.	45,727,966	1.30
8	Ong Kian Kok	42,000,000	1.19
9	Raffles Nominees (Pte) Limited	28,780,724	0.82
10	Suey Hueh King	25,103,300	0.71
11	Lin Jian Qun	25,000,000	0.71
12	Goh Guan Siong (Wu Yuanxiang)	22,837,600	0.65
13	HSBC (Singapore) Nominees Pte Ltd	22,199,996	0.63
14	Poh Chee Kuan or Luo Taohong	19,910,998	0.57
15	Ong Tiew Siam	18,000,000	0.51
16	United Overseas Bank Nominees Pte Ltd	16,061,828	0.46
17	Tengku Sinannaga @ Cheng Min Siong @ Zeng Ming Xiong	16,000,000	0.45
18	Tan Eng Chua Edwin	14,082,700	0.40
19	Estate of Tan Ee Ping, Deceased	13,700,998	0.39
20	Sim Chong Yang	13,000,000	0.37
		2,551,803,332	**72.47**

* The percentage of shareholdings was computed based on the issued share capital of the Company as at 14 June 2022 of 3,521,428,176 (which excludes 66,920,000 shares which are held as treasury shares representing approximately 1.90% of the total number of issued shares excluding treasury shares).

SHAREHOLDINGS STATISTICS

AS AT 14 JUNE 2022

SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Deemed Interest	
Substantial Shareholders	No. of Shares	%(1)	No. of Shares	%(1)
TH Investments Pte Ltd(2)	–	–	1,092,727,509	31.03
Tat Hong Investments Pte Ltd(2)	–	–	1,092,727,509	31.03
Chwee Cheng & Sons Pte Ltd(2)	–	–	1,092,727,509	31.03
Ng Sun Ho Tony(2)	–	–	1,092,727,509	31.03
Ng San Wee David(2)	–	–	1,092,727,509	31.03
Ng Sun Giam Roger(2)	–	–	1,092,727,509	31.03
Ng San Tiong Roland(2)(3)	–	–	1,116,648,503	31.71
Ng Chwee Cheng Corporation(4)	314,542,494	8.93	–	–
BOS Trustee Limited(4)	–	–	314,542,494	8.93
Bank of Singapore Limited(4)	–	–	314,542,494	8.93
Oversea-Chinese Banking Corporation Limited(4)	–	–	314,542,494	8.93
Ng Chwee Cheng(4)(5)	3,760,000	0.11	318,442,494	9.04
Dr Chiu Hong Keong or Mdm Khoo Yok Kee(6)	519,093,400	14.74	319,100	0.01

Notes:

(1) The percentage of shareholdings was computed based on the issued share capital of the Company as at 14 June 2022 of 3,521,428,176 (which excludes 66,920,000 shares which are held as treasury shares representing approximately 1.90% of the total number of issued shares excluding treasury shares).

(2) TH Investments Pte Ltd is a wholly-owned subsidiary of Tat Hong Investments Pte Ltd, which is a wholly-owned subsidiary of Chwee Cheng & Sons Pte Ltd ("CCSPL"). Being joint trustees of the Chwee Cheng Trust, which holds 39.5% of the issued share capital of CCSPL, each of the trustees, namely Mr Ng San Tiong Roland, Mr Ng Sun Ho Tony, Mr Ng San Wee David and Mr Ng Sun Giam Roger, is deemed to have an interest in 1,092,727,509 shares held by TH Investments Pte Ltd through nominee accounts.

(3) Mr Ng San Tiong Roland is also deemed to have an interest in 23,920,994 shares held through his nominee accounts.

(4) Ng Chwee Cheng Corporation is a company wholly owned by BOS Trustee Limited ("BOSTL") in its capacity as the trustee of the revocable trust in which Mr Ng Chwee Cheng has control and, therefore, each of BOSTL and Mr Ng Chwee Cheng is deemed to have an interest in 314,542,494 shares held by Ng Chwee Cheng Corporation.
BOSTL is a wholly owned subsidiary of Bank of Singapore Limited ("BOS"). Oversea-Chinese Banking Corporation Limited ("OCBC") wholly owns BOS, which in turn, wholly owns BOSTL. OCBC and BOS are, therefore, deemed to have an interest in 314,542,494 shares held by Ng Chwee Cheng Corporation.

(5) Mr Ng Chwee Cheng is also deemed to have an interest in 3,900,000 shares held through a nominee account.

(6) Dr Chiu Hong Keong or Mdm Khoo Yok Kee is deemed to have an interest in 319,100 shares held by their son through a nominee account.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("AGM" or the "Meeting") of CSC Holdings Limited (the "Company" or "CSC") will be held by way of electronic means on Thursday, 28 July 2022 at 10:00 am for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 March 2022 together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect Mr Teo Beng Teck, retiring by rotation pursuant to Regulation 104 of the Constitution of the Company.

   [See Explanatory Note (i)] **(Resolution 2)**

3. To re-elect Mr Ng San Tiong Roland, retiring pursuant to Regulation 108 of the Constitution of the Company.

   [See Explanatory Note (ii)] **(Resolution 3)**

4. To approve the payment of Directors' fees of S$45,333 for the financial year ended 31 March 2022, payable to a Non-Executive Director.

   [See Explanatory Note (iii)] **(Resolution 4)**

5. To approve the payment of Directors' fees of up to S$420,000 for the financial year ending 31 March 2023, to be paid quarterly in arrears (FY2022: up to S$329,000).

   [See Explanatory Note (iv)] **(Resolution 5)**

6. To re-appoint KPMG LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 6)**

7. To transact any other ordinary business which may properly be transacted at an AGM.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

8. **Share Issue Mandate**

   "That pursuant to Section 161 of the Companies Act 1967 of Singapore ("Companies Act") and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors of the Company be authorised and empowered to:-

   (a) (i) issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

NOTICE OF ANNUAL GENERAL MEETING

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force,

provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty percent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a *pro rata* basis to shareholders of the Company shall not exceed twenty percent (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of any convertible securities which were issued and outstanding or subsisting at the time of passing of this Resolution;

(b) new shares arising from exercising share options or vesting of share awards which were issued and outstanding or subsisting at the time of passing of this Resolution; and

(c) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) unless revoked or varied by the Company in a general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier."

[See Explanatory Note (v)] **(Resolution 7)**

9. **Proposed Renewal of the Share Buy-Back Mandate**

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire ordinary shares in the capital of the Company ("Shares") not exceeding in aggregate the Maximum Limit (as hereinafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

(i) on-market purchase(s) (each a "Market Purchase") on the SGX-ST transacted through the ready market, and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for that purpose; and/or

NOTICE OF ANNUAL GENERAL MEETING

(ii) off-market purchase(s) (each an "Off-Market Purchase") in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations, including but not limited to the provisions of the Listing Manual of the SGX-ST and the Constitution of the Company as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Buy-Back Mandate");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next AGM of the Company is held; or

(ii) the date by which the next AGM of the Company is required by law to be held; or

(iii) the date on which purchases of Shares pursuant to the Share Buy-Back Mandate are carried out to the full extent mandated;

(c) in this Resolution:

"**Maximum Limit**" means ten percent (10%) of the total number of issued ordinary shares (excluding Treasury Shares and subsidiary holdings) of the Company as at the date of the passing of this Resolution;

"**Maximum Price**", in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed:

(i) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and

(ii) in the case of an Off-Market Purchase, 120% of the Average Closing Price of the Shares;

"**Average Closing Price**" means the average of the closing market prices of the Shares traded on the SGX-ST over the last five (5) Market Days ("**Market Day**" being a day on which the SGX-ST is open for trading in securities), on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed adjusted for any corporate action that occurs during the relevant five (5)-day period and the day on which the purchases are made;

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders of the Company, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

NOTICE OF ANNUAL GENERAL MEETING

(d) the Directors of the Company and each of them be and are hereby authorised to deal with the Shares purchased by the Company, pursuant to the Share Buy-Back Mandate in any manner as they think fit, which is permitted under the Companies Act; and

(e) the Directors of the Company and each of them be and are hereby authorised to complete and do all such acts and things (including without limitation, to execute all such documents as may be required and to approve any amendments, alterations or modifications to any documents), as they and/or he may consider desirable, expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

[See Explanatory Note (vi)] **(Resolution 8)**

By Order of the Board

Hazel Chia Luang Chew
Juliana Tan Beng Hwee
Company Secretaries

Singapore
12 July 2022

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES:

(i) Ordinary Resolution 2 is to re-elect Mr Teo Beng Teck ("Mr Teo"), a Non-Executive Director of the Company. Mr Teo will, upon re-election as a Director of the Company, remain as a member of the Audit Committee, Remuneration Committee and Risk Management Committee. Mr Teo is considered non-independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. Save as disclosed in the Company's Annual Report, there are no relationships (including immediate family relationships) between Mr Teo and the other Directors, the substantial shareholders of the Company or the Company.

(ii) Ordinary Resolution 3 is to re-elect Mr Ng San Tiong Roland ("Mr Ng"), a Non-Executive Director of the Company. Mr Ng will, upon re-election as a Director of the Company, remain as a member of the Audit Committee and Remuneration Committee. He is considered non-independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. Mr Ng is a controlling shareholder of the Company. Save as disclosed in the Company's Annual Report, there are no relationships (including immediate family relationships) between Mr Ng and the other Directors, the other substantial shareholders of the Company or the Company.

Note: *Information on Directors who are proposed to be re-elected as Directors of the Company can be found under sections entitled "Board of Directors" and "Disclosure of Information on Directors Seeking Re-election" in the Company's Annual Report for the financial year ended 31 March 2022.*

(iii) Ordinary Resolution 4 is to seek approval for the payment of S$45,333 (which had been pro-rated accordingly) as Directors' fees for the financial year ended 31 March 2022, payable to Mr Ng, who was appointed a Non-Executive Director of the Company and a member of the Audit Committee and Remuneration Committee on 2 August 2021.

(iv) Ordinary Resolution 5, if passed, will authorise the Company to make payment of fees to the Non-Executive Directors and Independent Directors (including fees payable to members of the various Board Committees) for the financial year ending 31 March 2023 on a quarterly basis in arrears, for their services rendered during the course of the financial year. This will facilitate Directors' compensation for services rendered in a more timely manner.

(v) Ordinary Resolution 7, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 20% may be issued other than on a *pro rata* basis to shareholders of the Company.

(vi) Ordinary Resolution 8, if passed, will empower the Directors of the Company, effective until the date the next AGM of the Company is held or is required by law to be held, or the date on which the share buy-backs are carried out to the full extent of the Share Buy-Back Mandate, or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to purchase Shares of the Company (whether by way of Market Purchases or Off-Market Purchases on an equal access scheme) of up to the Maximum Limit at prices up to but not exceeding the Maximum Price in accordance with the Share Buy-Back Mandate as set out in the Letter to Shareholders in relation to the Proposed Renewal of the Share Buy-Back Mandate dated 12 July 2022 ("Letter to Shareholders"). The rationale for, the authority and limitation on, the source of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buy-Back Mandate are set out in greater detail in the Letter to Shareholders.

NOTICE OF ANNUAL GENERAL MEETING

IMPORTANT NOTES ON THE FORTHCOMING AGM ARRANGEMENTS IN LIGHT OF COVID-19 PANDEMIC

1. The AGM of the Company is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.

2. **Printed copies of this Notice of AGM, Proxy Form, Letter to Shareholders and Annual Report for the financial year ended 31 March 2022 ("2022 Annual Report") will not be sent to members.** Instead, this Notice of AGM, Proxy Form, Letter to Shareholders and 2022 Annual Report are sent to members by electronic means via publication on (a) the Company's website at the URL http://www.cschl.com.sg; (b) the website set up for the purpose of the AGM, at the URL http://conveneagm.com/sg/csc2022 ("CSC AGM Website"); and (c) the SGX website at the URL https://www.sgx.com/securities/company-announcements.

   For members who prefer to receive a printed copy of the Letter to Shareholders and/or 2022 Annual Report, please refer to the Annual Report Request Form published on the Company's website, CSC AGM Website and SGX website on how to make a request.

3. To minimise physical interactions and the risk of transmissions due to the COVID-19 pandemic**, members of the Company will not be able to attend the AGM in person.**

   Alternative arrangements relating to, among others, (i) attendance at the AGM by way of electronic means (including arrangements by which the AGM can be electronically accessed via live audio-visual webcast or live audio-only stream) ("2022 AGM Live Webcast"), (ii) submission of questions in advance of the AGM, (iii) addressing of substantial and relevant questions prior to and/or at the AGM and (iv) voting by appointing the Chairman of the Meeting as proxy at the AGM, are set out in the accompanying Company's announcement dated 12 July 2022. This announcement may be accessed at the Company's website at the URL http://www.cschl.com.sg; the CSC AGM Website at the URL http://conveneagm.com/sg/csc2022 and the SGX website at the URL https://www.sgx.com/securities/company-announcements.

4. **A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.** Members will also not be able to vote online on the resolutions to be tabled for approval at the AGM.

5. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in respect of each of the resolutions in the Proxy Form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

   Please refer to the detailed information set out in the Proxy Form.

6. Investors holding shares through the Central Provident Fund ("CPF") or Supplementary Retirement Scheme ("SRS") who wish to appoint the Chairman of the Meeting as proxy should not make use of the Proxy Form and should instead approach their respective CPF Agent Banks or SRS Operators to submit their votes by 10:00 am on 19 July 2022, being at least seven (7) working days before the date of the AGM.

7. The Chairman of the Meeting, as proxy, need not be a member of the Company.

NOTICE OF ANNUAL GENERAL MEETING

8. The Proxy Form appointing the Chairman of the Meeting as proxy, duly completed and signed, must be submitted to the Company no later than **10:00 am on 25 July 2022**, being not less than 72 hours before the time appointed for holding the AGM, in the following manner:

   (a) by submitting an electronic format accessible on the CSC AGM Website at the URL http://conveneagm.com/sg/csc2022; or

   (b) by post or in person, be lodged at the office of the Share Registrar of the Company, M&C Services Private Limited, at 112 Robinson Road, #05-01 Singapore 068902; or

   (c) by submitting a scanned PDF copy via email to gpb@mncsingapore.com,

   failing which, the Proxy Form may be treated as invalid.

9. In the case of submission of the Proxy Form other than via the CSC AGM Website, the Proxy Form must be executed under the hand of the appointor or of his/her/its attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its seal or under the hand of its attorney or duly authorised officer. Where the Proxy Form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the Proxy Form.

PERSONAL DATA PRIVACY

"Personal data" has the same meaning ascribed to it in the Personal Data Protection Act 2012 of Singapore, which includes name, address, NRIC/passport number of a member and proxy(ies) and/or representative(s) of a member.

By (a) submitting a Proxy Form appointing the Chairman of the Meeting as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, or (b) completing the pre-registration process to participate in the AGM in accordance with this Notice of AGM, or (c) submitting any question prior to the AGM in accordance with this Notice of AGM, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents, advisers or service providers) for the following purposes:

(i) processing, administration and analysis by the Company (or its agents, advisers or service providers) of Proxy Form appointing the Chairman of the Meeting as the proxy for the AGM (including any adjournment thereof);

(ii) preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof);

(iii) processing of pre-registration for participation at the AGM for purpose of granting access to members to the 2022 AGM Live Webcast and providing them with any technical assistance when necessary;

(iv) addressing substantial and relevant questions related to the resolutions to be tabled for approval at the AGM received from members before the AGM and if necessary, following up with the relevant members in relation to such questions; and

(v) enabling the Company (or its agents, advisers or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Teo Beng Teck and Mr Ng San Tiong Roland are the Directors seeking re-election (the "**Retiring Directors**") at the forthcoming Annual General Meeting of the Company to be convened on 28 July 2022 ("**AGM**").

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the following is the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST:

	MR TEO BENG TECK	MR NG SAN TIONG ROLAND
Date of Appointment	24 November 2003	2 August 2021
Date of last re-election/re-appointment	24 July 2019	Not applicable
Age	75	69
Country of principal residence	Singapore	Singapore
The Board's comments on this re-election/appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board of Directors ("Board") of the Company has considered, among others, the recommendation of the Nominating Committee ("NC") and has reviewed and considered (a) the qualifications, expertise, skills, business knowledge and experience of Mr Teo Beng Teck ("Mr Teo") and his overall contribution to the Company and attendance and contributions (such as participation, preparedness and candour) at Board and/or Board Committee meetings, and (b) the Board present composition provides an appropriate balance and diversity of relevant skills, age, industry knowledge, experience and expertise required to meet the Group's operational and business needs. The Board is satisfied that Mr Teo possesses the relevant experience, expertise, knowledge and skills to contribute towards the core competencies of the Board. Accordingly, the Board accepted the recommendation of the NC and approved the nomination of Mr Teo for re-election as Director of the Company at the forthcoming Annual General Meeting.	The Board of Directors ("Board") of the Company has considered, among others, the recommendation of the Nominating Committee ("NC") and has reviewed and considered (a) the qualifications, expertise, skills, business knowledge and experience of Mr Ng San Tiong Roland ("Mr Ng") and his overall contribution to the Company and attendance and contributions (such as participation, preparedness and candour) at Board and/or Board Committee meetings, and (b) the Board present composition provides an appropriate balance and diversity of relevant skills, age, industry knowledge, experience and expertise required to meet the Group's operational and business needs. The Board is satisfied that Mr Ng possesses the relevant experience, expertise, knowledge and skills to contribute towards the core competencies of the Board. Accordingly, the Board accepted the recommendation of the NC and approved the nomination of Mr Ng for re-election as Director of the Company at the forthcoming Annual General Meeting.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive Director and a member of Risk Management Committee, Audit Committee and Remuneration Committee	Non-Executive Director and a member of Audit Committee and Remuneration Committee

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR TEO BENG TECK	MR NG SAN TIONG ROLAND
Professional qualifications	Bachelor of Engineering and a Master of Science in Construction Engineering from The University of Singapore	Bachelor of Science (Honours) Degree from Loughborough University of Technology, United Kingdom
Working experience and occupation(s) during the past 10 years	1. Director of CMC Construction Pte Ltd (January 2010 to December 2016); and 2. Director of Linair Technologies Limited (August 2010 to September 2013)	Managing Director and Group Chief Executive Officer of Tat Hong Holdings Ltd (October 1991 to Present)
Shareholding interest in the listed issuer and its subsidiaries	Direct Interest: 12,095,000 shares in the Company	Deemed Interest: 1. 1,092,727,509 shares in the Company held by TH Investments Pte Ltd ("THI"), a controlling shareholder of the Company, through nominee accounts. 2. 23,920,994 shares in the Company held through his nominee accounts.
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	For the financial year ended 31 March 2022, the Company also paid Mr Teo S$30,000 as consultancy fees for his provision of consultancy service to the Company.	Yes. 1. THI, a controlling shareholder of the Company, owns 1,092,727,509 shares, representing 31.03% of the issued share capital of the Company. THI is a wholly-owned subsidiary of Tat Hong Investments Pte Ltd ("THIPL"), which is a wholly-owned subsidiary of Chwee Cheng & Sons Pte Ltd ("CCSPL"). Being joint trustees of the Chwee Cheng Trust, which holds 39.5% of the issued share capital of CCSPL, each of the trustees, namely Mr Ng San Tiong Roland, Mr Ng Sun Ho Tony, Mr Ng San Wee David and Mr Ng Sun Giam Roger, is deemed to have an interest in 1,092,727,509 shares in the Company held by THI through nominee accounts.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR TEO BENG TECK	MR NG SAN TIONG ROLAND
		2. Mr Ng is a controlling shareholder of the Company and he is the brother of Mr Ng Sun Ho Tony, Mr Ng San Wee David and Mr Ng Sun Giam Roger, controlling shareholders of the Company. 3. Mr Ng is the son of Mr Ng Chwee Cheng, a substantial shareholder of the Company. 4. Mr Ng is the brother of Mr Ng Sun Oh, the Managing Director of the Company's subsidiaries, ICE Far East Group (comprising ICE Far East Pte Ltd and all its subsidiaries). 5. Mr Ng is a Director of THI and THIPL and also a Director and the Managing Director of CCSPL.
Conflict of Interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments* Including Directorships *(* "Principal Commitments" has the same meaning as defined in the Code of Corporate Governance 2018)* Past (for the last 5 years)	Nil	Please refer to Annexure A
Present	Nil	Please refer to Annexure B

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.

	MR TEO BENG TECK	MR NG SAN TIONG ROLAND
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR TEO BENG TECK	MR NG SAN TIONG ROLAND
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR TEO BENG TECK	MR NG SAN TIONG ROLAND
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR TEO BENG TECK	MR NG SAN TIONG ROLAND
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR TEO BENG TECK	MR NG SAN TIONG ROLAND
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

ANNEXURE A

MR NG SAN TIONG ROLAND
LIST OF PAST FIVE (5) YEARS DIRECTORSHIPS AS AT 20 JUNE 2022

PUBLIC LISTED COMPANY

No.	Name of Company	Nature of Interest	Remarks
1	Intraco Limited	Alternate Director	Resigned on 10/09/2021

PRIVATE COMPANIES

No.	Name of Company	Nature of Interest	Remarks
1	Betaline Pty Ltd	Director	Deregistered on 23/09/2021
2	CAA Properties Pty Ltd	Director	Deregistered on 14/11/2021
3	GBC Pte Ltd	Director	Dissolved on 31/03/2019
4	Label-Tech (S) Pte Ltd	Director	Dissolved on 31/03/2019
5	PT Tat Hong Energy Indonesia	Commissioner	Liquidated on 08/08/2018
6	PT Tatindo HeavyEquipment	Commissioner	Resigned on 19/10/2017
7	Singapore Chinese Chamber of Commerce & Industry	President	Resigned on 15/03/2022
8	Sophia Holdings Pty Ltd	Director	Deregistered on 17/11/2021
9	Tat Hong Energy Pte Ltd	Director	Dissolved on 22/08/2019
10	Telopya Holdings Pty Ltd	Director	Deregistered on 17/11/2021
11	THP Investments Pty Ltd	Director	Deregistered on 17/11/2021
12	Tropical Industrial Building Pte. Ltd.	Director	Dissolved on 14/12/2018

OTHER APPOINTMENTS

No.	Name of Company	Nature of Interest	Remarks
1	Singapore's Non-Resident Ambassador to the Democratic Republic of Timor-Leste	Ambassador	Years 2019 to 27/2/2022
2	Toa Payoh Central Citizens' Consultative Committee	Chairman	Years 2008 to 31/1/2021

ANNEXURE B

MR NG SAN TIONG ROLAND
LIST OF PRESENT DIRECTORSHIPS AS AT 20 JUNE 2022

PUBLIC LISTED COMPANIES

No.	Name of Company	Nature of Interest
1	Yongmao Holdings Limited	Non-Executive Director & Deputy Chairman
2	CSC Holdings Limited	Non-Executive Director

TAT HONG HOLDINGS GROUP – PRIVATE COMPANIES

No.	Name of Company	Nature of Interest
1	BT Equipment Pty Ltd	Director
2	Changzhou Tat Hong Zhaomao Machinery Construction Co., Ltd	Director
3	China Nuclear Huaxing TatHong Machinery Construction Co., Ltd	Director
4	Fushun Yongmao Construction Machinery Co., Ltd	Director
5	Jiangsu Hengxingmao Financial Leasing Co., Ltd	Director
6	Jiangsu Zhongjian Tat Hong Machinery Construction Co., Ltd	Director
7	Kingston Industries Pty Limited	Director
8	Leadpoint Pte Ltd	Director
9	Office Cleaning Services Pty Ltd	Director
10	Shanghai Tat Hong Construction Service Co., Ltd	Director
11	Tat Hong Belt Road Pte. Ltd.	Director
12	Tat Hong Equipment (China) Pte. Ltd.	Director
13	Tat Hong Equipment Finance Pty Ltd	Director
14	Tat Hong Equipment Service Co., Ltd.	Director
15	Tat Hong HeavyEquipment (Hong Kong) Ltd	Director
16	Tat Hong HeavyEquipment (Pte.) Ltd.	Director
17	Tat Hong Holdings Ltd	Managing Director and Group Chief Executive Officer
18	Tat Hong International Pte Ltd	Managing Director
19	Tat Hong Plant Hire Sdn Bhd	Director
20	Tat Hong Plant Leasing Pte Ltd	Director
21	Tat Hong Zhaomao Investment Group Co., Ltd	Director
22	THAB Development Sdn Bhd	Director
23	THAB PTP Sdn Bhd	Director
24	Tutt Bryant Group Limited	Director
25	Tutt Bryant Hire Pty Ltd	Director
26	Yongmao Machinery Pte Ltd	Director

ANNEXURE B

MR NG SAN TIONG ROLAND
LIST OF PRESENT DIRECTORSHIPS AS AT 20 JUNE 2022

CHWEE CHENG & SONS (CCS) – PRIVATE COMPANIES OR ASSOCIATE COMPANIES OF CCS'S PRIVATE COMPANIES

No.	Name of Company	Nature of Interest
1	Chwee Cheng & Sons Pte Ltd	Managing Director
2	Edmund Tie & Company (SEA) Pte. Ltd.	Director
3	Edmund Tie Holdings Pte Ltd	Director
4	ET Investment Holdings Pte Ltd	Director
5	ET Investment Management (Singapore) Pte Ltd	Director
6	Fascina (Malaysia) Sdn. Bhd.	Director
7	Fortreau Investments Pte Ltd	Director
8	Inprint-Systems Asia Pacific Pte Ltd	Director
9	Midvest Properties Sdn Bhd	Director
10	Poh Seng Realty Pte Ltd	Director
11	PSR Properties Pte Ltd	Director
12	PT Graha Tat Hong	President/Commissioner
13	Regality Holdings Pte Ltd	Director
14	Tat Hong Development Pte Ltd	Director
15	Tat Hong Industries Pte Ltd	Managing Director
16	Tat Hong Investments Pte Ltd	Director
17	Tat Hong Properties Pte Ltd	Director
18	TH Investments Pte Ltd	Director
19	TH Strategic Investments Pte Ltd	Director
20	TH60 Investments Pte Ltd	Director
21	THI Properties Sdn Bhd	Director
22	THSC Investments Pte Ltd	Director

OTHER PRIVATE COMPANIES

No.	Name of Company	Nature of Interest
1	Blue Sail Global (Singapore) Pte. Ltd.	Director
2	Bonneville Investments Pty Ltd	Director
3	SAC Nominees Pty Ltd	Director
4	SCC Smart Investments Pte Ltd	Director
5	Sophia Investments Pty Ltd	Director
6	Tat Hong (Australia) Pty Ltd	Director
7	Tat Yang (Shanghai) Co., Ltd.	Director
8	The Old Guard Pte. Ltd.	Director
9	Tonnycliffe Pty Ltd	Director
10	Triplestar Capital Pte. Ltd.	Director

ANNEXURE B

MR NG SAN TIONG ROLAND
LIST OF PRESENT DIRECTORSHIPS AS AT 20 JUNE 2022

OTHER APPOINTMENTS

No.	Name of Company	Nature of Interest
1	Business China	Director
2	Chinese Chamber Realty Pte. Ltd.	Director
3	Ng Chwee Cheng Foundation Limited	Director & Trustee
4	SCCCI Chinese Entrepreneurial Culture Foundation	Director
5	Singapore Chinese Chamber of Commerce Foundation	Director
6	Singapore Chinese Chamber of Commerce & Industry	Immediate Past President
7	Singapore Press Holdings Foundation Limited	Director
8	The Financial Board of the Singapore Chinese Chamber of Commerce	Director
9	Thomson Shin Min Foundation	Director

VOLUNTARY LIQUIDATION COMPANIES (PENDING OFFICIAL DOCUMENTS)

No.	Name of Company	Nature of Interest
1	KP Equipment Services Inc.	Director

CSC HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No.: 199707845E)

IMPORTANT:

1. The Annual General Meeting ("**AGM**" or the "**Meeting**") of CSC Holdings Limited is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. To minimise physical interactions and the risk of transmissions due to the COVID-19 pandemic, members of the Company will NOT be able to attend the Meeting in person and will also NOT be able to vote online on the resolutions to be tabled for approval at the AGM.
2. **A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy** to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.
3. This Proxy Form is not valid for use by investors holding shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967) (including CPF/SRS investors) and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. CPF/SRS investors who wish to appoint the Chairman of the Meeting as proxy to vote should approach their respective CPF Agent Banks or SRS Operators to submit their votes **by 10:00 am on 19 July 2022**.

ANNUAL GENERAL MEETING

PROXY FORM

(Please read notes overleaf before completing this form)

I/We, ________________________________ (Name) ____________________________(NRIC/Passport/Registration No.)

of ____ (Address)

being a member/members of **CSC HOLDINGS LIMITED** (the "**Company**" or "**CSC**"), hereby appoint(s) the Chairman of the Meeting as my/our proxy to attend, speak and vote for me/us on my/our behalf at the Annual General Meeting ("**AGM**" or the "**Meeting**") of the Company to be held by way of electronic means on Thursday, 28 July 2022 at 10:00 am and at any adjournment thereof.

I/We direct the Chairman of the Meeting as my/our proxy to vote for or against, or to abstain from voting on, the resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the appointment of the Chairman of the Meeting as my/our proxy will be treated as invalid.

(Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to cast all your votes "For" or "Against", or "Abstain" from voting on, the relevant resolution, please tick [√] within the relevant box provided below. Alternatively, if you wish the Chairman of the Meeting as your proxy to cast your votes both "For" and "Against" the relevant resolution, please indicate the number of shares in the relevant boxes provided below.)

No.	Resolutions relating to:	Number of Votes For	Number of Votes Against	Abstain
	Ordinary Business			
1	Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 31 March 2022 and the Auditors' Report thereon			
2	Re-election of Mr Teo Beng Teck as a Director			
3	Re-election of Mr Ng San Tiong Roland as a Director			
4	Approval of Directors' fees of S$45,333 for the financial year ended 31 March 2022, payable to a Non-Executive Director			
5	Approval of Directors' fees of up to S$420,000 for the financial year ending 31 March 2023, to be paid quarterly in arrears			
6	Re-appointment of KPMG LLP as Auditors and to authorise the Directors to fix their remuneration			
	Special Business			
7	Share Issue Mandate			
8	Proposed Renewal of the Share Buy-Back Mandate			

Dated this ______________ day of ______________ 2022

Total number of Shares in:	
(a) Depository Register	
(b) Register of Members	

____

Signature or Common Seal of Member(s)
IMPORTANT: PLEASE READ NOTES OVERLEAF

Glue all sides firmly. Stapling and spot sealing are disallowed.

Glue all sides firmly. Stapling and spot sealing are disallowed.

1st fold Glue all sides firmly. Stapling and spot sealing are disallowed.

Affix
Postage
Stamp

M&C SERVICES PRIVATE LIMITED
The Share Registrar of
CSC Holdings Limited
112 Robinson Road, #05–01
Singapore 068902

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Notes :

1. A member should insert the total number of shares held. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001) maintained by The Central Depository (Pte) Limited, you should insert that number of shares. If you have shares registered in your name in the Register of Members maintained by or on behalf of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. To minimise physical interactions and the risk of transmissions due to the COVID-19 pandemic, members of the Company will NOT be able to attend the Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Meeting if such member wishes to exercise his/her/its voting rights at the Meeting. Printed copies of this proxy form will not be sent to members. Instead, this proxy form has been published via, and is available for download from, the Company's website at the URL http://www.cschl.com.sg; the website set up for the purpose of the AGM, at the URL http://conveneagm.com/sg/csc2022 ("**CSC AGM Website**"); and the SGX website at the URL https://www.sgx.com/securities/company-announcements.
3. Investors holding shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967) (other than CPF/SRS investors) who wish to appoint the Chairman of the Meeting as proxy should approach their relevant intermediaries **as soon as possible** to submit their votes.

   "Relevant intermediary" means:

   - a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
   - a person holding a capital markets services licence to provide custodial services under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
   - the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

   CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **10:00 am on 19 July 2022**, being at least seven (7) working days before the date of the AGM.
4. The Chairman of the Meeting, as proxy, need not be a member of the Company.

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5. The instrument appointing the Chairman of the Meeting as proxy, duly completed and signed, must be submitted to the Company no later than **10:00 am on 25 July 2022**, being not less than 72 hours before the time appointed for holding the AGM, in the following manner:
   (a) by submitting an electronic format accessible on the CSC AGM Website at the URL http://conveneagm.com/sg/csc2022; or
   (b) by post or in person, be lodged at the office of the Share Registrar of the Company, M&C Services Private Limited, at 112 Robinson Road, #05-01 Singapore 068902; or
   (c) by submitting a scanned PDF copy via email to gpb@mncsingapore.com,

   failing which, the instrument may be treated as invalid.
6. In the case of submission of the Proxy Form other than via the CSC AGM Website, the Proxy Form must be executed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its seal or under the hand of its attorney or duly authorised officer. Where the Proxy Form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged together with the instrument appointing the Chairman of the Meeting as proxy.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967.
8. Any alterations made in this instrument appointing the Chairman of the Meeting as proxy should be initialled by the member/person signing it.

General:-

The Company shall be entitled to reject an instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument appointing the Chairman of the Meeting as proxy lodged if the member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company. A depositor shall not be regarded as a member of the Company entitled to attend the Meeting and to speak and vote thereat unless his/her name appears on the Depository Register as at 72 hours before the time set for the Meeting.

PERSONAL DATA PRIVACY:

By submitting this Proxy Form, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 12 July 2022.

CSC
YOUR PARTNER IN
GROUND
ENGINEERING

CSC HOLDINGS LIMITED
(199707845E)

Office Address:
120 Pioneer Road, #04-01, Singapore 639597

(with effect from 1 August 2022)
2 Tanjong Penjuru Cresent, #06-02, Singapore 608968

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