Issuer & Securities

Issuer/ Manager

CSC HOLDINGS LIMITED

Securities

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Announcement Details

Announcement Title

Financial Statements and Related Announcement

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FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::HALF YEARLY RESULTS

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Submitted By (Co./ Ind. Name)

See Yen Tarn

Designation

Executive Director & Group Chief Executive Officer

Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)

Please refer to the attachments for:-

1. Condensed Interim Financial Statements Announcement for the six months ended 30 September 2023; and

2. Condensed Consolidated Interim Financial Information for the six months ended 30 September 2023.

Additional Details

For Financial Period Ended

30/09/2023

Attachments

1HFY24 Results Announcement.pdf

1HFY24 Condensed Consolidated Interim Financial Information.pdf

Total size =1581K MB

CSC HOLDINGS LIMITED

(Company Registration Number: 199707845E)

Condensed Interim Financial Statements

For the 6 Months Ended 30 September 2023

(For the Financial Year Ending 31 March 2024)

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

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

Gross proift/(loss) margin	8.9%	-0.4%
Net loss margin	-2.6%	-14.3%

Condensed Interim Consolidated Statement of Comprehensive Income

For the 6 Months ended 30 September 2023

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

Condensed Interim Statement of Financial Position
As at 30 September 2023

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

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

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

* Relating to Right-of-use assets.

Condensed Interim Statements of Changes in Equity
For the 6 Months ended 30 September 2023

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

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

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

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

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

Note:

Capital reserve	Group	Company
	$'000	$'000
Capital Reduction Reserve	17,798	17,798

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

Condensed Interim Consolidated Statement of Cash Flows
For the 6 Months ended 30 September 2023

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

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

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

* Relating to Right-of-use assets.

Notes to the Condensed Interim Financial Statements

1. Corporate information

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

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

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

2. Basis of preparation

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

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

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

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

2.1 Change in accounting policy

New and amended standards adopted by the Group

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

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

2. Basis of preparation (cont'd)

2.2 Use of judgements and estimates

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

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

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

3. Seasonal operations

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

4. Revenue and segment information

(a) Revenue

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

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

Disaggregation of revenue

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

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

4. Revenue and segment information (cont'd)

(a) Revenue (cont'd)

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

(b) Segment information

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

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

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

4. Revenue and segment information (cont'd)

(b) Segment information (cont'd)

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

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

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

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

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

4. Revenue and segment information (cont'd)

(b) Segment information (cont'd)

	6 months ended 30/09/2023 $'000	6 months ended 30/09/2022 $'000
Profit or loss before tax		
Total loss before tax for reportable segments	(4,281)	(15,853)
Loss before tax for other segments	(41)	(336)
	(4,322)	(16,189)
Elimination of inter-segment transactions	5,168	4,071
Unallocated amounts:		
- other corporate expenses	(4,932)	(4,794)
Share of profit of associates (net of tax)	134	158
Consolidated loss before tax	(3,952)	(16,754)

	As at 30/09/2023 $'000	As at 31/03/2023 $'000
Assets		
Total assets for reportable segments	313,857	318,203
Assets for other segments	18,167	17,736
	332,024	335,939
Investment in associates	8,303	8,175
Deferred tax assets	37	37
Tax recoverable	413	416
Other unallocated amounts	36,635	38,053
Consolidated total assets	377,412	382,620
Liabilities		
Total liabilities for reportable segments	209,683	209,808
Liabilities for other segments	3,704	3,872
	213,387	213,680
Deferred tax liabilities	1,095	1,729
Current tax payable	301	344
Other unallocated amounts	41,815	42,512
Consolidated total liabilities	256,598	258,265

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

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

5. Loss before tax

Loss before tax includes the following items:

		6 months ended	
		30/09/2023	30/09/2022
		$'000	$'000
(a)	**Cost of sales**		
	Depreciation of:		
	- property, plant and equipment	8,122	10,057
	- right-of-use assets [1]	1,014	1,210
	Government assistances	(45)	(506)
	Provisions (reversed)/made for:		
	- onerous contracts	(22)	-
	- rectification costs	414	642

[1] Arising from application of SFRS(I) 16 *Leases*.

(b)	**Other income**		
	Gain on disposal of:		
	- property, plant and equipment	(395)	(536)
	- assets held for sale	(77)	-
	Loss/(Gain) on termination of lease liabilities	3	(14)
(c)	**Administrative expenses**		
	Depreciation of:		
	- property, plant and equipment	758	500
	- right-of-use assets [1]	1,439	1,558
	Exchange loss	800	1,236
	Government assistances	(28)	(70)

[1] Arising from application of SFRS(I) 16 *Leases*.

(d)	**Other operating expenses/(income)**		
	Bad debts written back	(63)	(3)
	Impairment losses recognised /(reversed) on:		
	- property, plant and equipment	60	(40)
	- trade and other receivables and contract assets [1]	(41)	(109)
	Inventories written down	84	77

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

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

6. Tax (credit)/expense

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

7. Loss per share

(a) Basic loss per ordinary share

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

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

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

(b) Diluted loss per ordinary share

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

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

8. Property, plant and equipment

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

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

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

9. Right-of-use assets and Lease liabilities

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

10. Investment property

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

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

11. Inventories

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

12. Share capital

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

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

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

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

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

13. Loans and borrowings

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

Details of any collateral

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

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

a) $24,538,000 (31 March 2023: $22,090,000) in respect of plant and machinery acquired under hire purchase arrangements;

b) $5,861,000 (31 March 2023: $6,254,000) which are secured by a charge over the leasehold land and properties;

c) $Nil (31 March 2023: $1,024,000) are secured by a charge over the leasehold property and fixed deposit; and

d) $Nil (31 March 2023: $997,000) are secured by a charge over the fixed deposits of the Group.

14. Dividends

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

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

15. Net asset value

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

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

16. Commitments

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

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

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

17. Related parties

Transactions with key management personnel

Key management personnel compensation

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

Key management personnel compensation comprised:

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

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

17. Related parties (cont'd)

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

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

Other related party transactions

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

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

18. Fair value of financial instruments

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

Fair value hierarchy

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

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

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

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

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

Fair values versus carrying amounts

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

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

Excludes prepayments
* Excludes deposits received

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

Fair values versus carrying amounts (cont'd)

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

[#] Excludes prepayments
* Excludes deposits received

Measurement of fair values

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

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

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

Floating interest rate bank loans

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

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

Measurement of fair values (cont’d)

Other financial assets and liabilities

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

Transfers between Levels 1, 2 and 3

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

Other information required by Listing Rule Appendix 7.2

1. Review of the Performance of the Group

A. Consolidated Statement of Profit or Loss

1HFY24 – for the 6 months ended 30 September 2023
2HFY23 – for the 6 months ended 31 March 2023
1HFY23 – for the 6 months ended 30 September 2022

Review of Results for the 6 Months Ended 30 September 2023

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

Revenue

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

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

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

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

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

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

Gross Profit/(Loss)

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

Other Income

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

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

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

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

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

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

Operating Expenses

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

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

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

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

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

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

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

Net Finance Expenses

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

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

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

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

Loss for the period

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

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

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

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

B. Statement of Financial Position

Non-Current Assets

Property, Plant and Equipment

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

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

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

Right-of-use Assets

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

Net Current Assets

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

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

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

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

Loans and Borrowings

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

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

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

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

B. Statement of Financial Position (Cont'd)

Equity and Net Asset Value

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

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

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

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

C. Cash Flow

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

Cash Flow from Operating Activities

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

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

Cash Flow from Investing Activities

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

Cash Flow from Financing Activities

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

Cash and Cash Equivalents

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

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

2. Outlook

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

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

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

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

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

3. Interested person transactions

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

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

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

Note:

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

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

4. Audit / Review

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

5. Variance from Prospect Statement

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

6. Dividend

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

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

7. Confirmation

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

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

By Order of the Board

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

CSC Holdings Limited and its subsidiaries
Registration Number: 199707845E

Condensed Consolidated Interim Financial Information
Six months ended 30 September 2023

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Independent auditors' report on review of condensed consolidated interim financial information

The Board of Directors
CSC Holdings Limited

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of CSC Holdings Limited (the "Company") and its subsidiaries (the "Group") as at 30 September 2023 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes (the "Condensed Consolidated Interim Financial Information"). Management is responsible for the preparation and presentation of this Condensed Consolidated Interim Financial Information in accordance with Singapore Financial Reporting Standard (International) ("SFRS(I)") 1-34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this Condensed Consolidated Interim Financial Information based on our review.

Scope of review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of the Condensed Consolidated Interim Financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Condensed Consolidated Interim Financial Information is not prepared, in all material respects, in accordance with SFRS(I) 1-34 *Interim Financial Reporting*.

KPMG

Restriction on use

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the Condensed Consolidated Interim Financial Information for the purpose of assisting the Company to meet the requirements of paragraph 3 of Appendix 7.2 of the Singapore Exchange Limited Listing Manual and for no other purpose. Our report is included in the Company's announcement of its Condensed Consolidated Interim Financial Information for the information of its members. We do not assume responsibility to anyone other than the Company for our work, for our report, or for the conclusions we have reached in our report.

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
9 November 2023

Condensed consolidated statement of financial position
As at 30 September 2023

	Note	30 September 2023 $'000	31 March 2023 $'000
Non-current assets			
Property, plant and equipment	3	120,692	124,723
Right-of-use assets		39,488	41,227
Goodwill		552	552
Investment property		242	115
Investment in associates		8,303	8,175
Contract assets		1,417	618
Trade and other receivables		8,542	12,619
Deferred tax assets		37	37
		179,273	188,066
Current assets			
Inventories		28,853	24,519
Contract assets		63,515	66,721
Trade and other receivables		89,992	79,339
Tax recoverable		413	416
Cash and cash equivalents		14,767	22,804
		197,540	193,799
Assets held for sale		599	755
		198,139	194,554
Total assets		377,412	382,620
Equity attributable to owners of the Company			
Share capital	4	94,089	94,089
Reserves		2,211	4,963
		96,300	99,052
Non-controlling interests		24,514	25,303
Total equity		120,814	124,355
Non-current liabilities			
Loans and borrowings	5	56,765	59,563
Trade and other payables		5,734	10,875
Provisions		60	60
Deferred tax liabilities		1,095	1,729
		63,654	72,227
Current liabilities			
Loans and borrowings	5	79,428	77,130
Contract liabilities		683	480
Trade and other payables		108,817	103,724
Provisions		3,715	4,360
Current tax payable		301	344
		192,944	186,038
Total liabilities		256,598	258,265
Total equity and liabilities		377,412	382,620

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

Condensed consolidated statement of profit or loss
For the six months ended 30 September 2023

	Note	Six months ended 30 September 2023 $'000	Six months ended 30 September 2022 $'000
Revenue	6	146,426	118,013
Cost of sales		(133,467)	(118,536)
Gross profit/(loss)		12,959	(523)
Other income		675	1,047
Distribution expenses		(323)	(609)
Administrative expenses		(14,135)	(14,744)
Other operating expenses		(172)	(94)
Impairment loss reversed on trade and other receivables and contract assets		41	109
Results from operating activities		(955)	(14,814)
Finance income		370	475
Finance expenses		(3,501)	(2,573)
Net finance expenses		(3,131)	(2,098)
Share of profit of associates (net of tax)		134	158
Loss before tax		(3,952)	(16,754)
Tax credit/(expense)		212	(109)
Loss for the period	7	(3,740)	(16,863)
Attributable to:			
Owners of the Company		(2,963)	(16,721)
Non-controlling interests		(777)	(142)
Loss for the period		(3,740)	(16,863)
Loss per share			
Basic loss per share (cents)	8	(0.08)	(0.48)
Diluted loss per share (cents)	8	(0.08)	(0.48)

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

Condensed consolidated statement of comprehensive income
For the six months ended 30 September 2023

	Six months ended 30 September 2023 $'000	Six months ended 30 September 2022 $'000
Loss for the period	(3,740)	(16,863)
Other comprehensive income/(expense)		
Items that are or may be reclassified subsequently to profit or loss:		
Foreign currency translation differences		
- foreign operations	208	(84)
Other comprehensive income/(expense) for the period, net of tax	208	(84)
Total comprehensive expense for the period	(3,532)	(16,947)
Total comprehensive expense attributable to:		
Owners of the Company	(2,743)	(16,705)
Non-controlling interests	(789)	(242)
Total comprehensive expense for the period	(3,532)	(16,947)

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

Condensed consolidated statement of changes in equity
For the six months ended 30 September 2023

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

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

Condensed consolidated statement of changes in equity (continued)
For the six months ended 30 September 2023

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

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

Condensed consolidated statement of cash flows
For the six months ended 30 September 2023

	Six months ended 30 September 2023 $'000	Six months ended 30 September 2022 $'000
Cash flows from operating activities		
Loss for the period	(3,740)	(16,863)
Adjustments for:		
Bad debts written back	(63)	(3)
Depreciation of:		
- property, plant and equipment	8,880	10,557
- right-of-use assets	2,453	2,768
Gain on disposal of:		
- property, plant and equipment	(395)	(536)
- assets held for sale	(77)	–
Impairment losses recognised/(reversed) on:		
- property, plant and equipment	60	(40)
- trade and other receivables and contract assets	(41)	(109)
Inventories written down	84	77
Loss/(Gain) on termination of lease liabilities	3	(14)
Net finance expenses	3,131	2,098
Provision (reversed)/made for:		
- onerous contracts	(22)	–
- rectification costs	414	642
Share of profit of associates (net of tax)	(134)	(158)
Tax (credit)/expense	(212)	109
	10,341	(1,472)
Changes in:		
- Inventories	(4,592)	(2,492)
- Contract assets	2,040	14,414
- Trade and other receivables	(5,955)	(1,054)
- Contract liabilities	203	91
- Trade and other payables	6,114	(5,615)
- Provision utilised for onerous contracts	(141)	(620)
- Provision utilised for rectification costs	(890)	(717)
Cash generated from operations	7,120	2,535
Taxes paid	(479)	(228)
Interest received	105	61
Net cash generated from operating activities	6,746	2,368
Cash flows from investing activities		
Acquisition of:		
- property, plant and equipment	(5,238)	(6,958)
- investment property	(132)	–
Proceeds from disposal of property, plant and equipment	496	2,761
Loans to associates	(785)	–
Net cash used in investing activities	(5,659)	(4,197)

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

Condensed consolidated statement of cash flows (cont'd)
For the six months ended 30 September 2023

	Six months ended 30 September 2023 $'000	Six months ended 30 September 2022 $'000
Cash flows from financing activities		
Interest paid	(3,362)	(2,483)
Proceeds from:		
- bank loans	4,818	4,675
- refinancing of lease liabilities	4,380	–
- bills payable	97,229	72,150
Purchase of treasury shares	(9)	(97)
Repayment of:		
- bank loans	(11,701)	(9,311)
- bills payable	(87,809)	(69,401)
- lease liabilities	(8,786)	(8,351)
Changes in fixed deposits pledged	1,332	–
Net cash used in financing activities	(3,908)	(12,818)
Net decrease in cash and cash equivalents	(2,821)	(14,647)
Cash and cash equivalents at 1 April	16,753	31,366
Effect of exchange rate fluctuations on cash held	47	(440)
Cash and cash equivalents at 30 September	13,979	16,279
Comprising:		
Cash and cash equivalents	14,767	19,938
Bank overdrafts	(638)	(3,059)
Fixed deposits pledged	(150)	(600)
Cash and cash equivalents in the condensed consolidated statement of cash flows	13,979	16,279

During the financial period, the Group acquired property, plant and equipment with an aggregate cost of $5,421,000 (30 September 2022: $9,169,000) of which $2,683,000 (30 September 2022: $Nil) were acquired by means of hire purchase arrangements. Cash payments of $5,238,000 (30 September 2022: $6,958,000) were made to purchase property, plant and equipment, out of which $3,347,000 (30 September 2022: $1,739,000) was for the unpaid liabilities for prior period's acquisition of property, plant and equipment. At the reporting date, the unpaid liabilities from the purchase of property, plant and equipment amounted to $847,000 (30 September 2022: $3,950,000).

Notes to the condensed consolidated interim financial information

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

The condensed consolidated interim financial information was authorised for issue by the Board of Directors on 9 November 2023.

1 Domicile and activities

CSC Holdings Limited ("the Company") is a company domiciled in the Republic of Singapore. The condensed consolidated interim financial information as at and for the six months ended 30 September 2023, comprise the Company and its subsidiaries (together referred to as the "Group"). The Group is primarily involved in piling works, civil engineering works, trading and leasing of heavy foundation equipment, soil investigation and surveying works.

1.1 Basis of preparation

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

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

Accounting policies and methods of computation used in the condensed consolidated interim financial information are consistent with those applied in the financial statements for the year ended 31 March 2023, which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in note 1.3.

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

1.2 Use of judgements and estimates

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

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2023 (see note 13).

1.3 Change in accounting policy

New and amended standards adopted by the Group

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

2 Seasonal operations

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

The Group expects the geopolitical uncertainties, elevated raw material and energy prices, as well as the high interest rate environment, will continue to put pressure on the Group's financial and liquidity positions. The Group continues to focus on capital and cashflow management, which includes implementing cost-control measures and actively pursuing opportunities to enhance their financing facilities. These are expected to equip the Group with sufficient cash flows and financial resources to meet its obligations as and when they fall due.

3 Property, plant and equipment

During the six months ended 30 September 2023, the Group acquired assets amounting to $5,421,000 (six months ended 30 September 2022: $9,169,000) and disposed of assets amounting to $300,000 (six months ended 30 September 2022: $2,147,000).

4 Share capital

	30 September 2023		31 March 2023	
	No. of shares	**$'000**	**No. of shares**	**$'000**
Issued and fully-paid ordinary shares with no par value:				
At 1 April and 30 September/31 March	3,588,348,176	94,089	3,588,348,176	94,089

During the six months ended 30 September 2023, the Company completed the buy-back of 1,000,000 (31 March 2023: 10,162,000) ordinary shares, representing 0.03% (31 March 2023: 0.29%) of the issued share capital on that date, under the terms of the Share Buyback Mandate dated 12 July 2023, approved by shareholders on 27 July 2023. The shares were bought back at an average market price, including incidental costs, of $0.009 (31 March 2023: $0.013) per share, for a consideration of $9,000 (31 March 2023: $128,000). This amount is classified as reduction in equity under 'reserve for own shares'. As at 30 September 2023, the Company held 72,082,000 (31 March 2023: 71,082,000) of its own uncancelled shares.

As at 30 September 2023, there were no outstanding shares options or warrants (31 March 2023: Nil) for conversion into ordinary shares.

The holders of ordinary shares (excluding treasury shares) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares (excluding treasury shares) rank equally with regard to the Company's residual assets.

The loan facilities of certain subsidiaries are subject to externally imposed capital requirements where these subsidiaries are required to maintain net assets (total assets less total liabilities) or net tangible assets (total tangible assets less total tangible liabilities) in excess of specific financial thresholds. The subsidiaries have complied with the covenants at the reporting date.

5 Loans and borrowings

	30 September 2023 $'000	31 March 2023 $'000
Bank overdrafts	638	4,547
Bills payable	37,798	28,498
Secured bank loans	5,861	7,409
Unsecured bank loans	25,669	31,120
Lease liabilities	66,227	65,119
	136,193	136,693
Amount repayable:		
- in one year or less, or on demand	79,428	77,130
- after one year	56,765	59,563
	136,193	136,693

The loans and borrowings are guaranteed by the Company, out of which $7,959,000 (31 March 2023: $9,079,000) are also guaranteed by a related corporation.

The secured bank loans and lease liabilities are secured by:

(a) a charge over the Group's leasehold land and properties with a carrying amount of $11,683,000 (31 March 2023: $15,550,000);

(b) the Group's plant and equipment acquired under hire purchase arrangements with a carrying amount of $42,465,000 (31 March 2023: $35,836,000);

(c) the Group's inventories acquired under hire purchase arrangements with a carrying amount of $3,597,000 (31 March 2023: $2,552,000); and

(d) a charge over the Group's fixed deposits amounting to $150,000 (31 March 2023: $1,504,000).

6 Revenue

	Six months ended 30 September	
	2023	**2022**
	$'000	**$'000**
Revenue from contracts with customers	141,142	111,512
Rental income	5,284	6,501
	146,426	118,013

The Group's operations and main revenue streams are those described in the last annual financial statements.

Disaggregation of revenue

In the following table, revenue from contracts with customers is disaggregated by geographical regions and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (see note 9).

	Foundation and geotechnical engineering Six months ended 30 September		**Sales of equipment and spare parts Six months ended 30 September**		**Total reportable segments Six months ended 30 September**	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Geographical regions						
Singapore	107,836	70,035	3,707	8,661	111,543	78,696
Malaysia	23,792	20,435	119	93	23,911	20,528
India	–	–	4,580	11,222	4,580	11,222
Thailand	–	–	243	292	243	292
Philippines	–	–	298	426	298	426
Hong Kong	–	–	63	176	63	176
China	–	–	41	154	41	154
Other regions	–	–	463	18	463	18
	131,628	90,470	9,514	21,042	141,142	111,512
Major revenue streams						
Construction contracts	131,521	90,286	–	–	131,521	90,286
Trading of building products and plant and equipment	107	184	9,514	21,042	9,621	21,226
	131,628	90,470	9,514	21,042	141,142	111,512

	Foundation and geotechnical engineering Six months ended 30 September		Sales of equipment and spare parts Six months ended 30 September		Total reportable segments Six months ended 30 September	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Timing of revenue recognition						
Products transferred at a point in time	107	184	9,324	20,904	9,431	21,088
Products and services transferred over time	131,521	90,286	190	138	131,711	90,424
	131,628	90,470	9,514	21,042	141,142	111,512

7 Loss for the period

The following items have been included in arriving at the loss for the period:

	Six months ended 30 September 2023 $'000	2022 $'000
Bad debts written back	(63)	(3)
Depreciation of:		
- property, plant and equipment	8,880	10,557
- right-of-use assets	2,453	2,768
Expenses relating to short-term leases	10,613	8,271
Foreign exchange loss	800	1,236
Gain on disposal of:		
- property, plant and equipment	(395)	(536)
- assets held for sale	(77)	–
Government grants deducted from:		
- cost of sales	(45)	(506)
- administrative expenses	(28)	(70)
Impairment losses recognised/(reversed) on:		
- property, plant and equipment	60	(40)
- trade and other receivables and contract assets	(41)	(109)
Interest on lease liabilities	1,283	1,223
Inventories written down	84	77
Loss/(Gain) on termination of lease liabilities	3	(14)
Provision (reversed)/made on:		
- onerous contracts	(22)	–
- rectification costs	414	642

8 Loss per share

(a) Basic loss per share

	Six months ended 30 September 2023 $'000	Six months ended 30 September 2022 $'000
Basic loss per share is based on:		
Net loss attributable to ordinary shareholders	(2,963)	(16,721)

	Six months ended 30 September 2023 No. of shares '000	Six months ended 30 September 2022 No. of shares '000
Weighted average number of shares	3,516,897	3,521,696

(b) Diluted loss per share

	Six months ended 30 September 2023 $'000	Six months ended 30 September 2022 $'000
Diluted loss per share is based on:		
Net loss attributable to ordinary shareholders	(2,963)	(16,721)

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

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

	Six months ended 30 September 2023 No. of shares '000	Six months ended 30 September 2022 No. of shares '000
Weighted average number of shares	3,516,897	3,521,696

9 Segmental information

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

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

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

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

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

Information about reportable segments

	Foundation and geotechnical engineering Six months ended 30 September		**Sales and lease of equipment Six months ended 30 September**		**Total reportable segments Six months ended 30 September**	
	2023 $'000	**2022 $'000**	**2023 $'000**	**2022 $'000**	**2023 $'000**	**2022 $'000**
External revenue	131,645	90,470	14,781	27,543	146,426	118,013
Inter-segment revenue	12,817	6,368	2,660	2,410	15,477	8,778
Reportable segment loss before tax	(1,937)	(14,581)	(2,344)	(1,272)	(4,281)	(15,853)
	30 September 2023 $'000	**31 March 2023 $'000**	**30 September 2023 $'000**	**31 March 2023 $'000**	**30 September 2023 $'000**	**31 March 2023 $'000**
Reportable segment assets	193,970	192,841	119,887	125,362	313,857	318,203
Reportable segment liabilities	136,222	132,385	73,461	77,423	209,683	209,808

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

	Six months ended 30 September 2023 $'000	Six months ended 30 September 2022 $'000
Revenue		
Total revenue for reportable segments	161,903	126,791
Elimination of inter-segment revenue	(15,477)	(8,778)
Consolidated revenue	146,426	118,013
Loss before tax		
Total loss before tax for reportable segments	(4,281)	(15,853)
Loss before tax for other segments	(41)	(336)
	(4,322)	(16,189)
Elimination of inter-segment transactions	5,168	4,071
Unallocated amounts:		
- other corporate expenses	(4,932)	(4,794)
Share of profit of associates	134	158
Consolidated loss before tax	(3,952)	(16,754)

	30 September 2023 $'000	31 March 2023 $'000
Assets		
Total assets for reportable segments	313,857	318,203
Assets for other segments	18,167	17,736
	332,024	335,939
Investment in associates	8,303	8,175
Deferred tax assets	37	37
Tax recoverable	413	416
Other unallocated amounts	36,635	38,053
Consolidated total assets	377,412	382,620
Liabilities		
Total liabilities for reportable segments	209,683	209,808
Liabilities for other segments	3,704	3,872
	213,387	213,680
Deferred tax liabilities	1,095	1,729
Current tax payable	301	344
Other unallocated amounts	41,815	42,512
Consolidated total liabilities	256,598	258,265

10 Dividends

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

11 Commitment

Commitment not reflected in the condensed consolidated interim financial information at the reporting date is as follows:

Capital commitments

As at reporting date, capital expenditure contracted for but not recognised in the condensed consolidated interim financial information is as follows:

	30 September 2023 $'000	31 March 2023 $'000
Capital commitment in respect of:		
- acquisition of property, plant and equipment	138	255

12 Related parties

Key management personnel compensation

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

Key management personnel compensation comprised:

	Six months ended 30 September	
	2023 $'000	2022 $'000
Short-term employee benefits	2,885	2,820
Post-employment benefits (including contributions to defined contribution plans)	125	108
	3,010	2,928

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

	Six months ended 30 September	
	2023 $'000	2022 $'000
Professional fees	11	15

Other related party transactions

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

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

13 Accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The selection of critical accounting policies, the judgements and other uncertainties affecting application of those policies and the sensitivity of reported results to changes in condition and assumptions are factors to be considered when reviewing the condensed consolidated interim financial information. The Group believes the critical accounting policies involving the most significant judgements and estimates used in the preparation of the condensed consolidated interim financial information are consistent with those found in the last audited financial statements for the year ended 31 March 2023.

Fair value hierarchy

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

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

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

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

14 Fair value of financial instruments

Fair values versus carrying amounts

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

	Carrying amount			Fair value			
	Amortised cost $'000	Other financial liabilities $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
30 September 2023							
Financial assets not measured at fair value							
Trade and other receivables*	97,376	–	97,376	–	97,376	–	97,376
Cash and cash equivalents	14,767	–	14,767				
	112,143	–	112,143				
Financial liabilities not measured at fair value							
Bank overdrafts	–	(638)	(638)				
Bills payable	–	(37,798)	(37,798)				
Secured bank loans	–	(5,861)	(5,861)	–	(5,894)	–	(5,894)
Unsecured bank loans	–	(25,669)	(25,669)	–	(25,896)	–	(25,896)
Trade and other payables**	–	(112,343)	(112,343)	–	(112,343)	–	(112,343)
	–	(182,309)	(182,309)				

* *Excludes prepayments*
** *Excludes deposits received*

	Carrying amount			Fair value			
	Amortised cost $'000	**Other financial liabilities $'000**	**Total carrying amount $'000**	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
31 March 2023							
Financial assets not measured at fair value							
Trade and other receivables*	91,282	–	91,282	–	91,282	–	91,282
Cash and cash equivalents	22,804	–	22,804				
	114,086	–	114,086				
Financial liabilities not measured at fair value							
Bank overdrafts	–	(4,547)	(4,547)				
Bills payable	–	(28,498)	(28,498)				
Secured bank loans	–	(7,409)	(7,409)	–	(7,437)	–	(7,437)
Unsecured bank loans	–	(31,120)	(31,120)	–	(31,181)	–	(31,181)
Trade and other payables**	–	(113,633)	(113,633)	–	(113,633)	–	(113,633)
	–	(185,207)	(185,207)				

* *Excludes prepayments*
** *Excludes deposits received*

Measurement of fair values

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

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

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

Floating interest rate bank loans

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

Other financial assets and liabilities

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

Interest rates used in determining fair values

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

	30 September 2023 %	**31 March 2023** %
Non-current trade and other receivables and non-current contract assets	5.37 – 5.39	3.00
Non-current trade and other payables	1.84 – 2.50	1.84 – 2.50

Transfers between Levels 1, 2 and 3

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