

ANNUAL REPORTS AND RELATED DOCUMENTS::**Issuer & Securities****Issuer/ Manager**

CSC HOLDINGS LIMITED

Securities

CSC HOLDINGS LTD - SG1F84861094 - C06

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Announcement Details**Announcement Title**

Annual Reports and Related Documents

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Announcement Reference

SG230711OTHRFP9L

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. Annual Report 2023
2. Letter to Shareholders in relation to the Proposed Renewal of the Share Buy-Back Mandate dated 12 July 2023

Additional Details**Period Ended**

31/03/2023

Attachments[CSC Annual Report 2023.pdf](#)



[Letter To Shareholders Dated 12 July 2023.pdf](#)

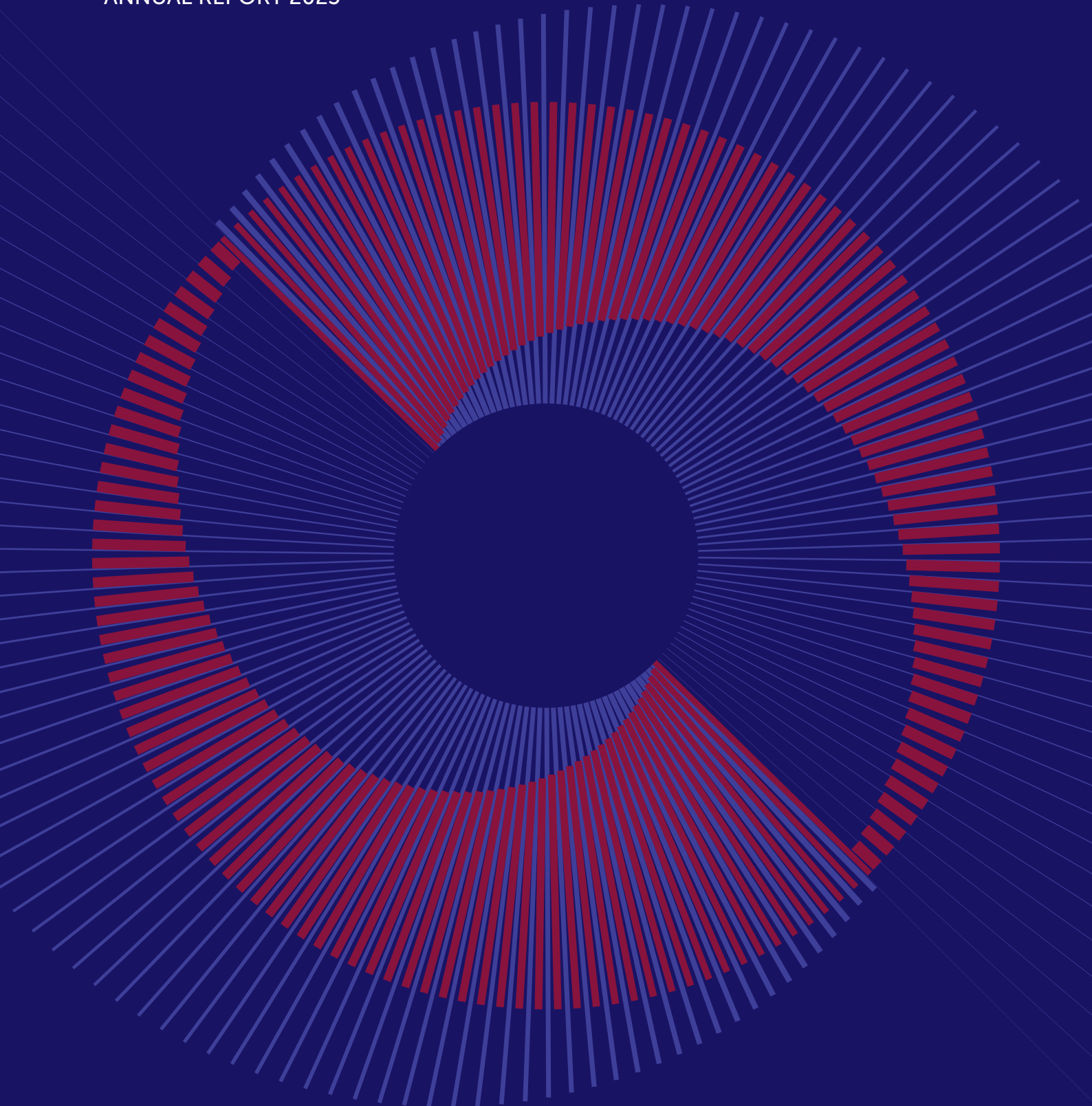
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YOUR PARTNER IN
GROUND
ENGINEERING

RESILIENCE IN MOTION

ANNUAL REPORT 2023





RESILIENCE IN MOTION

The past few years have proven that businesses need to focus on enhancing operational resilience to stay ahead. At CSC, we sought new ways to overcome the challenges brought about by a global pandemic, from rethinking business strategies to pivoting with consistent work qualities and deliverables.

With resilience in motion, we will continue to navigate the way ahead by building on our experience and expertise to keep up with changing times and future-proof our business.



OPTIMISING PRODUCTIVITY AND EFFICIENCY

Innovation forms the bedrock of our business. It enables us to create smarter solutions that drive our operations in myriad ways. From streamlining our internal processes to setting up a rooftop storage system to minimise land use, we constantly tap into new ways to improve productivity and efficiency.







CSCG

RIGGER /
SIGNALMAN

CSC



ENHANCING SAFETY AND RESILIENCE

We operate in an environment where margin and manpower challenges abound, which is why it is imperative that we take care of our people. Our focus on safety innovation led to the design and development of award-winning features such as the Fall Arrest Work Platform and RC Pile Handler, which in turn creates value for our people and business partners as a reliable brand.

STRENGTHENING EXPERIENCE AND EXPERTISE

CSC is able to tap into a strong track record as Singapore's leading foundation and geotechnical engineering specialist, building on decades of experience to offer a full range of services to support the industry. Our experience is further augmented with the expertise of a capable management team who continue to pave the way forward to generate long-term value for our 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 1,300 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.

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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



CERTIFICATE OF APPRECIATION

On Recognition and Appreciation of Dedicated Contributions and Commitment over the years to the GeoSS as a Corporate Member
Presented To
Soil Investigation Pte Ltd



BEST SAFETY PERFORMANCE

For Best Safety Performance Sub-Contractor at LTA North South Corridor – Contract N110
In conjunction with 5,000,000 Accident-Free Man-hours
Celebration
Awarded To
L&M Foundation Specialist Pte. Ltd.



APPRECIATION AWARD

For Outstanding EHS & Quality Performance On Siltronic FAB Next Singapore Project
Presented To
CS Construction & Geotechnic Pte Ltd



IN RECOGNITION OF EXCEPTIONAL WORK DONE THAT RESULTED IN A SAFE & SECURE WORK ENVIRONMENT

At MSD MK 5475 DPI Project
Presented To
CS Construction & Geotechnic Pte Ltd



OUTSTANDING SUB CONTRACTOR AWARD

On Changi ARC Package 3 Project
Presented To
L&M Foundation Specialist Pte Ltd



IN RECOGNITION OF CONTRIBUTION TO THE ACHIEVEMENT OF 1,000,000 SAFE MAN-HOURS AT LTA CONTRACT DE142 PROJECT

Presented To
CS Bored Pile System Pte Ltd



THE BEST SALES AWARD (2018 TO 2022)

Presented To
THL Foundation Equipment Pte Ltd



YES CONSTRUCTION PTE LTD

In Recognition Towards Contribution to Safety, Health & Environment 100,000 Safe Man-hours
For Metallocene Catalyst Expansion Project
Presented To
CS Construction & Geotechnic Pte Ltd



APPRECIATION AWARD

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



SCAL WORKPLACE SAFETY & HEALTH INNOVATION AWARDS 2021

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



RECOGNITION OF CONTRIBUTION OF 100,000 SAFE MANHOURS WITHOUT LTI

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



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

Presented To
CS Construction & Geotechnic Pte Ltd



SAFETY INNOVATION FALL ARREST WORK PLATFORM

Presented To
CS Bored Pile System Pte Ltd



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



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

At Symphony Project
Presented To
CS Construction & Geotechnic Pte Ltd



IN RECOGNITION OF YOUR CONTRIBUTION TO WORKPLACE SAFETY AND HEALTH

On EPC Project
Presented To
CS Construction & Geotechnic Pte Ltd



500,000 SAFE MANHOURS RECOGNITION

At Symphony Project
Presented To
CS Construction & Geotechnic Pte Ltd



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

CHAIRMAN'S STATEMENT

OUR LONGSTANDING EMPHASIS ON STRICT OPERATIONAL AND FINANCIAL DISCIPLINE HAS STRENGTHENED OUR ABILITY TO WITHSTAND THE CURRENT STORM.



DEAR SHAREHOLDERS,

The Singapore construction industry has been subjected to difficult operating conditions in recent years, brought about first by the pandemic and followed by persistent geopolitical and macroeconomic headwinds. While there was some respite in the previous financial year ended 31 March 2022 ("FY22"), we were forced to contend with a myriad of operating challenges again in this financial year ended 31 March 2023 ("FY23"), including rising operating costs and a generally slowdown in construction activity, especially in the first six months of the financial year ("1HFY23").

Against such a challenging operating environment, revenue for FY23 decreased marginally to \$264.6 million, from \$268.7 million recorded in FY22. We recorded a net loss attributable to shareholders of \$26.7 million in FY23, compared to a net profit of \$5.9 million in FY22. With diligent capital and cash flow management, we managed to achieve positive operating cash flow and a relatively healthy cash position of \$22.8 million.

YEAR IN REVIEW

The impact of the elevated costs of construction materials and energy, triggered by geopolitical tensions, including the war in Ukraine, was keenly felt during FY23. Many owners and developers have held back on their plans for

new developments in 1HFY23. Similarly, we were also cautious in tendering for new projects during the period, out of concerns that such costs could eventually outpace tender prices.

With a smaller pool of contracts available for tender, especially in 1HFY23, competition for projects was intense. We thus had to exercise a great deal of caution in the tender process to ensure our sustainability. There were some signs of recovery in construction activity in the latter half of the financial year ("2HFY23"), and we were able to secure a fair number of contracts in Singapore and the region. However, the commencement of work for several of these new contracts was delayed, which impacted revenue recognition. This, along with the general decrease in industry activity year-on-year, weighed down on our performance. To manage our operating costs, we actively right-sized our labour force and reallocated resources across the Group. Nevertheless, we managed to maintain our productivity through nimble manpower deployment to deliver on the projects on hand once work could commence.

In Malaysia, construction activity improved year-on-year, which saw us securing and completing more projects in FY23. While this contributed to an improvement in revenue from the country, margins for these projects were still affected by higher construction material and energy costs.

As for our foundation equipment sale and leasing business, we have been enjoying keen interest in the foundation equipment that we are distributing for Xuzhou Construction Machinery Group Co., Ltd, as construction companies across the region are looking towards Chinese machinery and equipment due to the lower cost and shorter lead time to delivery.

THE YEAR AHEAD

Looking ahead, we believe that operating conditions will remain challenging in the current financial year. Demand for construction services in Singapore in 2023 is expected to remain at the same level as the preceding year, with business activity largely hailing from public residential and infrastructure projects. In Malaysia, demand for construction services is also expected to be stable, with private residential projects comprising the bulk of the project pipeline there. Notwithstanding this, the persistent cost pressures, namely those from high material and energy costs, together with the high interest rate environment, are expected to erode the margins that can be achieved.

Our longstanding emphasis on strict operational and financial discipline has strengthened our ability to withstand the current storm. Nevertheless, it is imperative that we uphold our prudent approach in our tenders, bearing in mind the need to maintain a delicate balance between competitiveness and profitability. We will also ensure that we can sustain healthy cash flow while maintaining good

working relationships with the main contractors. Although the manpower shortage situation has since eased, the present scarcity of dormitory accommodation in Singapore is impeding the ability of construction companies to house their workforce. The impending reduction of foreign worker quota in September 2023 and increase in foreign worker levy in January 2024 will also bring about higher labour costs. We will continue to monitor the market and fine-tune our manpower and resource deployment strategy to optimise operational efficiency.

APPRECIATION

Our ability to sustain ourselves in the face of industry challenges is very much due to the dedication and hard work put in by a committed team of management and employees at CSC. Together with my fellow Board members, I would like to extend my gratitude to all of them.

I would also like to thank my fellow Directors for their unstinting counsel and the effort put in to help guide CSC through the various challenges. Finally, my appreciation goes to our shareholders, customers and business partners who have stood by us unwaveringly over the years. We will continue to do our utmost to build value for our stakeholders.

DR LEONG HORN KEE

Independent Non-Executive Chairman



主席致辞

长久以来,集团秉持严谨的营运和财务纪律加强了我们的抵御当前逆境的能力。

尊敬的股东:

在疫情、地缘政治以及宏观经济因素等的冲击下,新加坡建筑业近几年来面临艰巨的营运环境。截至2022年3月31日的财政年度(“2022财年”)让集团可稍作喘息,但是在截至2023年3月31日的财政年度(“2023财年”),尤其是2023财年的首六个月里(“2023财年上半年”),集团被迫再次面对营运成本上升以及建筑活动普遍放缓等等的营运挑战。

面对这样充满挑战性的营运环境,同比2022财年的2亿6870万元,2023财年的营业额小幅度下降至2亿6460万元。集团在2023财年报2670万元的股东应占亏损,2022财年则为590万元的股东应占利润。通过严格的资本和现金流管理,我们成功维持良好的现金流以及2280万元的健康现金状况。

年度回顾

在2023财年期间,乌克兰战争等地缘政治的紧张局势所引发的建筑材料和能源成本上涨严重地冲击了建筑业。由于担心这些成本会超过投标价格,许多业主和发展商在2023财年上半年延迟推出新的建筑项目,而我们在投标时也秉持谨慎态度。

2023财年上半年因可投标的项目数量减少,导致了项目竞争尤为激烈。为确保集团发展的可持续性,我们在投标过程中继续秉持着谨慎的态度。尽管建筑活动在2023财年的下半年出现复苏的迹象,我们在新加坡和周边区域国家也获得了一些项目合同。然而因为一些新合同延迟动工影响了收入确认,加上建筑活动同比普遍下降,这影响了我们的业绩。为了降低我们的运营成本,我们积极调整劳动力规模,并于集团内重新分配资源。尽管如此,通过灵活的人力部署我们得以保持生产力,并在限期内完成项目。

在马来西亚,建筑活动与去年同期相比有所改善,这使我们在2023财年获得并完成了更多项目。虽然这提高了集团来自马来西亚的营业额,但这些项目的利润率仍因建筑材料和能源成本上涨而受到影响。

集团在2023财年内扩大了设备销售和租赁业务方面的活动。我们收到许多来自亚洲区域国家的建筑公司关于我们为中国徐州工程机械集团有限公司分销的设备的询问,这可归功于这些设备成本较低且交货时间较短的缘故。





前景展望

展望未来,我们认为本财政年的营运环境仍将充满挑战。2023年新加坡的建筑服务需求预计将与前一年保持不变,建筑活动预计主要来自公共住宅和基础设施项目。在马来西亚,建筑服务的需求预计也将保持稳定,大部分的项目预计主要来自私人住宅项目。持续的成本压力,如材料和能源的高成本以及高利率环境预计将会削减集团的利润率。

长久以来,集团秉持严谨的营运和财务纪律加强了我们的抵御当前逆境的能力。尽管如此,我们仍会在投标过程中继续秉持谨慎态度,并且在竞争能力和盈利之间保持平衡点。我们也将确保集团能够维持良好的现金流,同时与主要承包商保持良好的工作关系。虽然劳动力短缺的情况已经有所缓解,但目前新加坡劳工宿舍短缺的问题影响了建筑公司安置员工的能力。除此之外,即将于2023年9月实行的外劳配额收紧政策和于2024年1月上调的外劳税也将给集团带来更大的劳动成本压力。我们将继续密切关注市场并调整集团的人力和资源策略以优化集团的营运效率。

致谢

我们能够在这些业内挑战中坚持下来,这要归功于集团敬业和辛勤的管理团队与员工们。我与董事会成员们一同向他们表示感谢。

我也要感谢董事会成员们无私的建议,帮助指导集团应对各种挑战所付出的努力。最后,我要感谢多年来坚定不移支持我们的股东、客户和业务合作伙伴们。我们将继续尽最大努力为股东们创造价值。

梁汉基博士
独立非执行主席

OUR PROJECTS IN SINGAPORE

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

PREVIOUS FINANCIAL YEARS (before financial year ended 31 March 2023)

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)
- Lifts Shaft to existing Pedestrian Overhead Bridges (Contract DE 117)
- Additions & Alterations to existing Bishan Depot at 300 Bishan Road
- Construction of DLN Ramp and Tunnel at Bulim
- Shaft for bored tunnel between Aviation Park MRT station and Loyang MRT station on the Cross Island Line

Residential projects

- Public Housing Developments at Tengah Plantation Contract 4, Tengah Garden C1 & Common Green, Tengah Drive & Tengah Park Ave/Tengah Park C8, Geylang C13 & C14, Pasir Ris N5 C26 & C27, Tengah Park C6, Kallang Whampoa C52 & C55, Tengah Garden C4 and other townships in Singapore
- Private Housing Developments at Braddell Road, Kampong Java Road, Silat Avenue, Holland Road, Handy Road, Serangoon North Ave 1, Stirling Residences, Clementi Avenue 1 (CLAVON), Canberra Link, Fernvale Lane, Irwell Bank Road, Northumberland Road & Canberra Drive
- Executive Condo Development at Yishun Close (North Gaia)

Industrial projects

- Neste Singapore Expansion 2022 Project
- Pfizer API Expansion Project at 31 Tuas South Avenue 6/7
- Ramp Up Warehouse Building at 2 Tanjong Penjuru Crescent
- Merlion at Woodlands Industrial Park D Street 2
- Siltronic FAB Building at Tampines Industrial Ave 4 and Ave 5
- Metallocene Catalyst Expansion Project (Met-X)
- 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 7000 Ang Mo Kio Ave 5
- Thermofisher - Project Merlion at 31 Joo Koon Circle
- Lonza Utility Building Expansion

Commercial projects

- Hotel Developments at 89 Short Street & Claymore Road
- Mandai Resort & New Bird Park at Mandai Lake Road

Institutional projects

- Polyclinic at Chin Cheng Ave
- Nursing Home at Potong Pasir
- Singapore Institute of Technology Campus at Punggol North
- Chinese Temple Development at Northshore Drive
- Sports and Recreation Development at Coney Island

- Home Team Tactical Centre (Phases 2A & 2B) at Mandai Road
- Additions and Alterations to existing Conserved Buildings, The Octagon at Havelock Square for Family Justice Courts
- Home Team NS Clubhouse, Chalets at Bedok North Road, existing Braddell Heights Community Centre and Singapore American School at 40 Woodlands Street 41

CURRENT FINANCIAL YEAR ENDED 31 MARCH 2023

Infrastructure projects

- Tampines North and Serangoon North for Cross Island Line
- Rievera Interchange (Cripple Siding) for Punggol Extension Line
- Cross Island Line Changi East MRT Depot CR101
- Contract T316 at Airside E5 Aircraft Parking Stand

Residential projects

- Public Housing Developments at Queensway C1, Tengah Plantation C6, Tengah Garden Waterfront I and II (C3 & C7), Kallang Whampoa & Park C52, Jurong West N3C31 & C32, and other townships in Singapore
- Private Housing Development Tembusu Grand at Jalan Tembusu
- Residential Flat Development (AMO Residence) at Ang Mo Kio Avenue 1
- Clementi Avenue 6 / Commonwealth Avenue West / Sungei Ulu Pandan (Clementi N2 C3)

Industrial projects

- AMAT Semiconductor equipment manufacturing plant at Tampines Industrial Crescent
- SOITEC Singapore Fab Extension at Pasir Ris Industrial Drive 1
- General Industrial Factory Building at 50 Tuas Crescent (GETH)
- General Industrial Development at Woodlands Industrial Park E9 (Ardentec)
- SOAR Project at Jurong Island
- CRISP Existing Site Project at Jurong Island
- Evonik Methionine Facility Expansion Project at 101 Bayan Avenue
- 2-Storey Single User Factory at 16 Chin Bee Avenue
- 4-Storey Single-User General Industrial Factory at 457 Jalan Ahmad Ibrahim
- 5-Storey Ramp-up Warehouse Development at 36 Tuas Road

Commercial projects

- 5-Storey Single User Industrial Building (E-Business) at 29 New Industrial Road

Institutional projects

- Special Education School at Tampines Street 91 (Pathlight School)
- Dieppe Barrack on Lot 05019M MK13 at Sembawang Road (Mandai Planning Area)

OUR PRESENCE IN MALAYSIA

PROVISION OF FOUNDATION ENGINEERING SERVICES IN MALAYSIA.

PREVIOUS FINANCIAL YEARS (before financial year ended 31 March 2023)

Infrastructure projects

- Bukit Ria Mass Rapid Transit (MRT) Station and Klang Valley MRT (KVMRT) – Intervention Shaft at KL Sentral
- Earthwork, Retaining Wall, Main Drainage System, Flood Detention Pond for Eaton International School at Shah Alam, Selangor

Residential projects

- Service Apartments in Kuala Lumpur such as The Pano
- Mixed Developments at Selangor such as Equine Residence (Phases 1 & 2) and Alam Damai, Selangor such as GuoccoLand Malaysia (Phases 3 & 4)
- I-Santorini Condo at Tanjung Tokong, Penang
- Condominiums at Klang Valley area such as Alix Residence, 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

Industrial projects

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

Commercial project

- 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
- 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

- Sunway International School
- Sports Arena at Seremban, Negeri Sembilan

CURRENT FINANCIAL YEAR ENDED 31 MARCH 2023

Residential projects

- Mixed Developments at Jalan Sungai Besi, Kuala Lumpur for Radium Development Berhad
- Service Apartments at Genting Highlands, Pahang for LBS Bina Group
- Condominium at Cheras, Kuala Lumpur for Matrix Concept Group

Commercial project

- Suite for Academy Staff (EduSentral Phase 4) at Setia Alam, Selangor

PROPERTIES OF THE GROUP

AS AT 31 MARCH 2023

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	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, Malaysia	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

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

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

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

RISK MANAGEMENT COMMITTEE

Ong Tiew Siam
(Chairman)

Teo Beng Teck

See Yen Tarn

COMPANY SECRETARIES

Hazel Chia Luang Chew

Juliana Tan Beng Hwee

REGISTERED OFFICE

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Singapore 608968

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SHARE REGISTRAR & SHARE TRANSFER OFFICE

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AUDITORS

KPMG LLP

Public Accountants and
Chartered Accountants
12 Marina View, #15-01,
Asia Square Tower 2,
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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 and 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.

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

Acquisition of L&M Foundation Specialist Pte Ltd.

Incorporation of L&M Ground Engineering Sdn Bhd.

2007

Acquisition of G-Pile Sistem Sdn Bhd and Soil Investigation Pte Limited.

2008

Incorporation of CSC Ground Engineering Sdn Bhd and L&M Foundation Specialist (Vietnam) Limited Company.

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

2009

Incorporation of GPSS Geotechnic Sdn Bhd.

2010

Acquisition of 30% stake in DW Foundation Pte Ltd.

2011

Acquisition of 70% stake in ICE Far East Pte Ltd and additional 40% stake in DW Foundation Pte Ltd.

2012

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

Acquisition of remaining 30% stake in CSC Ground Engineering Sdn Bhd and remaining 30% stake in DW Foundation Pte Ltd.

2013

Incorporation of CS Ground Engineering (International) Pte Ltd.

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

2014

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.

2016

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 carried out the development in Hertford.

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

2017

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

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

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.

2022

Completion of the 2 Tanjong Penjuru Crescent ramp up warehouse whereby CSC headquarters is based in.

GROUP CEO'S STATEMENT

LEVERAGING OUR CAPABILITIES AND TRACK RECORD, WE WERE ABLE TO SECURE ABOUT \$310 MILLION WORTH OF PROJECTS IN FY23.



DEAR SHAREHOLDERS,

FY23 was a challenging year for the Group. It began with industry sentiments weakening as inflation and geopolitical conflicts took their toll. Specifically, the elevated prices of raw materials and energy impacted construction companies that were still completing pre-pandemic contracts, while dampening the supply of construction projects, as developers and main contractors chose to hold out on contract awards in hopes of stabilisation in the prices. Although construction activity saw a gradual improvement in 2HFY23, the high costs, as well as project margin pressures, hindered our ability to build on the progress we made in FY22.

FINANCIAL REVIEW

Our revenue for FY23 stood at \$264.6 million, versus \$268.7 million in FY22. This took into a decrease in overall business activity year-on-year, as well as the delays in the commencement of some projects secured in 2HFY23, which resulted in the deferment of revenue recognition from these projects.

Project margin pressures arising from the intense market competition and higher operating costs led to us recording a lower gross profit of \$6.3 million in FY23, compared to \$27.7 million in the previous financial year. The gross profit margin thus amounted to 2.4% in FY23, compared to 10.3% in FY22.

Other income for FY23 was relatively unchanged at \$1.7 million, compared to FY22. Other operating expenses for FY23 increased by 6.3% to \$23.3 million, from \$21.9 million in FY22. We incurred higher property management fees in relation to 2 Tanjong Penjur Crescent after relocating our headquarters back to the property following its redevelopment. In addition, business travel expenses, incurred in relation to our regional operations, increased in FY23, with the reopening of Singapore's borders in April 2022. Our operating expenses also included a foreign exchange loss of \$1.9 million for FY23, due to the weakening of the Malaysia Ringgit and Thailand Baht against the Singapore Dollar.

We have also made provisions of \$0.8 million for bad debt in relation to certain main contractor customers facing insolvency.

Government assistance in relation to the Covid-19 pandemic had tapered down in FY23 and we received \$0.1 million in grants under the Job Support Scheme and foreign worker levy rebates, which partially defrayed operating costs in FY23.

Net finance expenses increased to \$4.6 million, from \$1.2 million in FY22, mainly due to the increase in floating interest rate from approximately 3.5% in March 2022 to approximately 7.0% in end-March 2023, as well as a \$1.2 million interest expense in connection with the lease liability for our headquarters.

On account of the above, we recorded a net loss attributable to shareholders of \$26.7 million in FY23, compared to a net profit of \$5.9 million in FY22.

Our cash position remained relatively healthy, with cash and cash equivalents standing at \$22.8 million as at 31 March 2023, versus \$34.4 million as at end-FY22.

In FY23, we bought back 10.2 million ordinary shares for an aggregate purchase consideration of \$0.1 million. This brings the total number of ordinary shares in our treasury as at 31 March 2023 to 71.1 million, with a carrying value of \$3 million. As at end-FY23, Group equity stood at \$124.4 million, compared to \$150.8 million as at 31 March 2022. Net asset value per ordinary share was 3.5 cents, compared to 4.3 cents in the previous financial year.

OPERATIONS REVIEW

Amid uncertainties over raw material and energy prices, as well as the ability of main contractors to operate as going concerns, we adopted a cautious approach towards tendering for projects to ensure a continuous flow of work, while protecting ourselves against escalating costs and payment delays. Leveraging our capabilities and track record, we were able to secure about \$310 million worth of projects in FY23. Some of these include:

Infrastructure projects

- Tampines North station and Serangoon North station on the Cross Island Line
- Cripple siding works for Riviera Interchange on the Punggol Extension Line
- Changi East MRT Depot CR101 on the Cross Island Line
- Contract T316 at Airside E5 Aircraft Parking Stand

Industrial projects

- Applied Materials semiconductor equipment manufacturing plant at Tampines Industrial Crescent
- SOITEC Singapore Fab Extension at Pasir Ris Industrial Drive 1
- GETH building at 50 Tuas Crescent
- Ardentec general industrial development at Woodlands Industrial Park E9
- ExxonMobil SOAR (Sustainable Opportunities in Aviation and Renewables) project at Jurong Island
- ExxonMobil CRISP existing site project at Jurong Island
- Evonik methionine facility expansion project at 101 Bayan Avenue
- Two storey single-user factory at 16 Chin Bee Avenue
- Four storey single-user general industrial factory at 457 Jalan Ahmad Ibrahim
- Five storey ramp-up warehouse development at 36 Tuas Road



GROUP CEO'S STATEMENT



Residential projects

- Public housing developments at Queensway C1, Tengah Plantation C6, Tengah Garden Waterfront I and II (C3 & C7), Kallang Whampoa & Park C52, Jurong West N3C31 & C32
- Tembusu Grand at Jalan Tembusu
- AMO Residence at Ang Mo Kio Avenue 1
- Clementi Avenue 6 / Commonwealth Avenue West / Sungei Ulu Pandan (Clementi N2 C3)
- Mixed developments at Jalan Sungai Besi, Kuala Lumpur, Malaysia for Radium Development Berhad
- Service apartments in Genting Highlands, Pahang, Malaysia for LBS Bina Group
- Condominium at Cheras, Kuala Lumpur, Malaysia for Matrix Concept Group

Commercial projects

- Five storey single-user industrial building at 29 New Industrial Road
- Phase 4 of EduSentral academy staff suite at Setia Alam, Selangor, Malaysia

Institutional projects

- Pathlight School at Tampines Street 91
- Dieppe Barracks on Lot 05019M MK13 at Sembawang Road

During the year, we further right-sized our labour force by about 15%, in view of the fluctuating demand for construction services and impending rise in foreign worker levy. In spite of a smaller workforce, we were able to deliver on the projects secured thanks to efficient manpower deployment. To safeguard our working capital, we were judicious with managing our cash flow and vigilant in collecting payments

through constant contact. Nevertheless, we found ourselves having to make provisions for bad debt, after a number of main contractors suffered from insolvency during the year.

As for our foundation equipment trading and leasing business, in the current competitive market environment, we have witnessed a general shift in equipment demand from European brands towards Chinese brands, in view of significantly lower cost, the benefits of a 24/7 production line and a shorter time to market. This represents a bright spot for our 55%-owned trading arm, THL Foundation Equipment Pte Ltd ("THLFE"), which has been distributing China-manufactured equipment for China-based Xuzhou Construction Machinery Group Co., Ltd since 2017. Along with the inflow of Chinese contractors engaging THLFE to help bring machinery they have been familiar with into Singapore, THLFE has also been enjoying good interest from construction companies in Asia, including, India and Vietnam. We are concurrently assessing the machine requirements in the region to determine how we can best position ourselves, including through our existing distributorships to capture new market opportunities.

EFFICIENCY AND INNOVATION EFFORTS

As part of our ongoing efforts to raise our efficiency and innovation standards, we have begun exploring converting some of our diesel-powered site container offices into solar-powered offices. We are also in the midst of converting some of our diesel-operated equipment to run on electricity. Reducing the use of diesel will enable us to lower our operating costs and collective environmental impact, which also forms a part of our effort towards environmental sustainability.

LOOKING AHEAD

While we have seen gradual improvements in macroeconomic conditions, the challenges have not fully blown over. Interest rates have risen by 350 basis points within the past financial year and we expect the high interest rate environment to persist. Along with this, the ongoing geopolitical uncertainties, and the resulting elevated raw material and energy prices, are set to assert additional pressure on our operating costs. As a Group, we continue to proactively monitoring our collections to ensure smooth cash flow and to maintain healthy cashflow and capital management positions.

The Building and Construction Authority (BCA) of Singapore estimates the value of domestic construction demand for 2023 to range between \$27 billion and \$32 billion, or on par with that for 2022, supported mainly by a pipeline of public housing and infrastructure projects. However, we are cognisant that such value has been inflated by the higher costs of materials and energy. We are also anticipating the Ministry of Manpower to reduce the foreign worker quota from September 2023, as well as increase in foreign worker levy in January 2024, which will inevitably lead to higher labour costs. In this regard, we expect to maintain our current workforce and nimbly fine-tune the deployment of labour and resources in tandem with construction demand.

On the Malaysia front, we are steadily growing our order book on the back of stable demand for construction services, with private residential projects being the mainstay of our business in this market.

The joint redevelopment of 2 Tanjong Penjuru Crescent with LOGOS Group under 2TPC Pte Ltd was finally completed in April 2022 after a two-year process, and we are delighted to relocate our headquarters back to this site in August 2022. We have planned for the aggregate floor area in the new headquarters to be larger than before and have leased out the space that is currently excess to our needs. We expect the rental income generated from this to contribute to our share of associate results going forward.

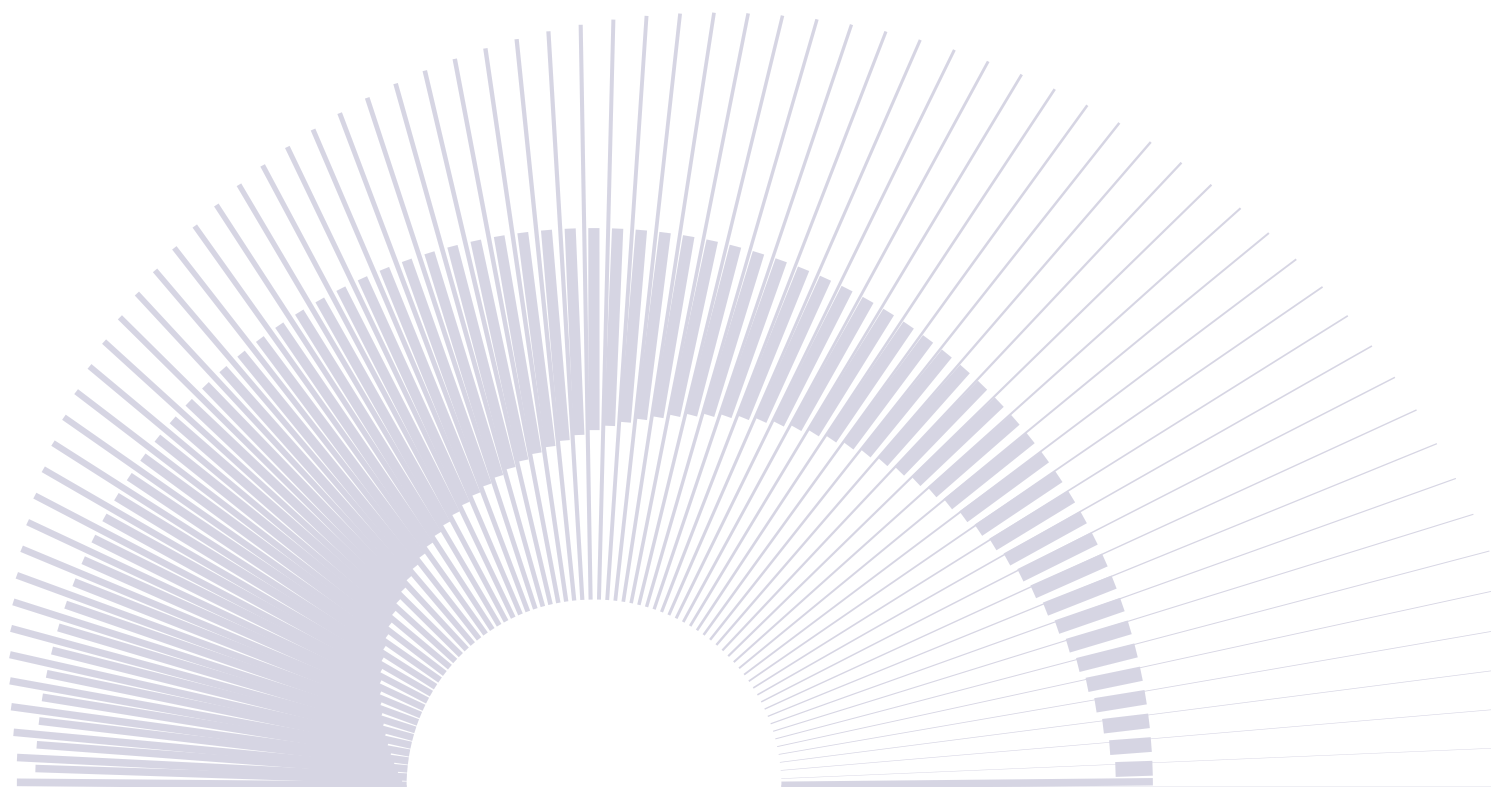
ACKNOWLEDGEMENTS

I would like to thank my fellow colleagues, whose dedication and commitment to the Group have helped us navigate the past year. I am grateful to my fellow Board members, who have supported the Group with their sound advice and counsel. I am appreciative of the unwavering support and belief from our business partners, customers and shareholders that have motivated us to keep going as a Group.

We will continue to do our utmost to build value for our shareholders going forward.

SEE YEN TARN

Group Chief Executive Officer



集团首席执行官致辞

凭借我们的业务能力和业绩记录,我们在 2023 财年取得了价值 3亿1000万新元的项目合同。

尊敬的股东:

2023 财年对集团来说是极具挑战的一年。财年初始, 业内形势因通货膨胀和地缘政治紧张而开始疲劳。原材料和能源价格上涨影响了在疫情前标得但在疫情后仍未竣工的建筑合同。发展商和主要承包商期盼材料和能源价格稳定而延迟授予合同, 从而导致建筑项目的数量减少。尽管建筑活动在2023财年下半年逐渐回升, 但高成本以及项目利润上的压力所导致的激烈竞争阻碍了我们在 2022 财年后持续发挥我们的业务能力。

财务回顾

2023财年集团的营业额达2亿6460万元, 2022财年则为2亿6870万元, 这归因于业内活动整体放缓, 以及数项在2023财年下半年获得的项目因延迟动工而导致延迟确认有关项目收入的缘故。

激烈的市场竞争加上更高的营运成本给集团施加了项目利润上的压力, 毛利从前一财年的2770万元减少至2023财年的630万元。毛利率因此在2023财年达2.4%, 2022财年则为10.3%。

2023财年的其它收入同2022财年, 达170万元。其它营运开支从2022财年的2190万元上升6.3%至2023财年的2330万元。我们将总部迁回重建后的丹戎本莱鲁弯2号后, 所需缴付的物业管理费也相对提高。此外, 随着新加坡于2022年4月重新开放边境后, 有关集团区域业务相关的商务出差费用也同比增加。由于马来西亚令吉和泰铢兑新币贬值, 2023财年的营运开支还包含了190万元的外汇亏损。

除此之外, 我们针对一些面临破产的主要承包商客户作出了80万元的坏账拨备。政府给予的疫情相关补贴逐渐减少, 我们所获得的雇佣补贴和外劳税回扣总值10万元的津贴, 稍微抵消了2023财年的部分营运开支。

净财务开支从2022年的120万元上升至2023财年的460万元, 这主要是因为浮动利率从2022年3月的约3.5%调高至2023年3月底的7.0%, 以及与集团总部租赁负债有关的120万元利息开支。

有鉴于以上因素, 集团在2023财年报2670万元的股东应占亏损, 2022财年则报590万元的股东应占净利润。

集团现金状况同比相对良好, 现金与现金等值物于2023年3月31日为2280万元, 2022财年底则为3440万元。

我们在2023财年里以10万元回购了1020万普通股。这使我们在截至2023年3月31日所持的库存普通股达到7110万股, 账面价值为300万元。截至2023财年底, 集团权益总额为1亿2440万元, 截至2022财年底则为1亿5080万元。每普通股净资产值为3.5分, 前一财年则为4.3分。

业务回顾

在原材料和能源价格以及主要承包商持续经营能力皆存在不确定性的情况下, 为了确保工程持续进行且不受成本上升和付款延迟的影响, 我们在项目投标上采取了谨慎的态度。凭借我们的业务能力和业绩记录, 我们在 2023 财年取得了价值 3亿 1000万新元的项目合同, 其中包括:

基础设施项目

- 跨岛线的淡滨尼北地铁站和实龙岗北地铁站
- 榜鹅延长线的里维拉转换站的额外轨道工程项目
- 跨岛线的樟宜东地铁站车厂CR101合同
- 空侧 E5 飞机停机坪 T316 合同

工业项目

- 位于淡滨尼工业弯的应用材料半导体设备制造厂
- SOITEC新加坡位于巴西立工业1道的晶圆厂扩建项目
- 位于大士弯50号的GETH大楼工程项目
- 欣铨科技位于兀兰工业园E9 的综合工业开发项目
- 埃克森美孚位于裕廊岛的航空和可再生能源的可持续发展机遇项目
- 埃克森美孚位于裕廊岛的CRISP现有项目
- 赢创工业位于巴彦道101号的蛋氨酸设施扩建项目
- 振美道16号的双层楼单用综合工业厂房项目
- 惹兰阿末依布拉欣457号的四层楼单用综合工业厂房项目
- 大士路36号的五层楼坡道式货仓项目

住宅项目

- 位于女皇镇C1、登加种植园C6、登加园海滨I 及 II (C3 & C7)、加冷黄埔和公园C52、裕廊西N3C31 & C32 等市镇的公共住宅项目
- 位于惹兰登布树的Tembusu Grand 私宅项目
- 位于宏茂桥1道的AMO Residence公寓项目
- 金文泰大道6、联邦大道西、双溪乌鲁班兰(金文泰N2 C3)等公共住宅项目
- 马来西亚锐鼎集团位于吉隆坡新街场路的数项混合项目
- 马来西亚林木生集团位于彭亨州云顶高原的公寓项目
- 马来西亚金群利集团位于吉隆坡蕉赖的公寓项目

商业项目

- 位于新工业路29号的五层楼单用工业项目
- 马来西亚雪兰莪州实达阿南的EduSentral 学院员工套房第4期项目

机构项目

- 位于淡滨尼91街的新光学校
- 位于三巴旺路Lot 05019M MK13的迪耶普军营

考虑到市场对建筑服务需求的不稳定性,以及即将上调的外劳税,我们将劳动规模缩减了约15%。尽管如此,我们依然能够通过有效的人力部署来完成工程项目。为了稳固集团的营运资金,我们审慎地管理现金周转,在收取款项方面,我们也与主要承包商保持密切联系。然而,在2023财年里,一些主要承包商面临破产,为此我们不得不作出坏账拨备。

至于我们的地基设备贸易和租赁业务方面,目前正处于竞争激烈的市场环境中。我们留意到市场对设备需求普遍从欧洲品牌转向中国品牌。中国设备的优势在于其更低的价格,以及因全天候的生产能力而缩短的设备交付时间。这对我们持股55%的贸易公司THL Foundation Equipment Pte Ltd (“THLFE”)来说是一个亮点。THLFE自2017年起便在为总部位于中国的徐州工程机械集团有限公司分销其制造的设备。近年来进军新加坡市场的中国承包商也通过THLFE将他们所熟悉的机械设备带入新加坡。除此之外,THLFE也收到来自其他亚洲国家包括印度和越南的建筑公司对这些设备的询问。我们正在评估亚洲区域对设备的需求以确保我们能更好地定位自己,并且通过我们现有的分销代理权来抓住新的市场机会。

推动效率和创新

为了持续提升效率和创新标准,我们已探讨将所有工地使用的集装箱办公室的能源从柴油改为太阳能。我们也正将一些柴油机械设备转换为以电力驱动。减少使用柴油将有助降低集团的营运成本和减少整体环境给集团带来的影响,这也是我们实现环境永续所做出的努力。

前景展望

虽然宏观经济情况看似有些改善,但是集团所面临的挑战依旧存在。银行利率在过去一年里上升了350个基点,我们认为高利率环境将会持续。与此同时,地缘政治依然存在许多不确定性,这导致原材料和能源价格居高不下,这将给集团的营运成本施加更多压力。集团上下将继续跟进项目的收款,以确保资金周转顺畅,并维持良好的现金流和资本管理状况。

新加坡建设局估计2023年新加坡建筑需求约在270亿元至320亿元之间,或与2022年相同,建筑需求主要来自公共住宅和基础设施项目。然而,我们清楚这个建筑需求价值包括了材料和能源成本上涨的成分。人力部将从2023年9月开始减少外劳配额,并在2024年1月增加外劳税,这将无可避免地提高集团的劳动力成本。我们将维持现有的劳动力,并根据建设需求灵活地部署劳动力和资源。

马来西亚方面,我们将趁着当地稳定的建筑服务需求的机会以私宅项目为主要投标项目来累积合同量。

我们与LOGOS集团的联营公司2TPC Pte Ltd联同重建的丹戎本茱鲁弯2号为期两年的工程终于在2022年4月完成,我们也很高兴将总部在2022年8月迁回这里。重建的总部空间比我们所需的来得多,而我们已将多余的面积租出,所获得的租金将给集团的应占联营公司的盈利带来贡献。

致谢

我想感谢集团同仁对集团做出的努力和付出,让集团能够应付过去一年的挑战。感谢董事会成员给予的忠告和建议。感谢各个商业伙伴、客户和股东们坚定不移的支持和信任,给了集团继续向前迈进的动力。

我们会竭尽所能继续为股东们创造更高的价值。

薛献凡

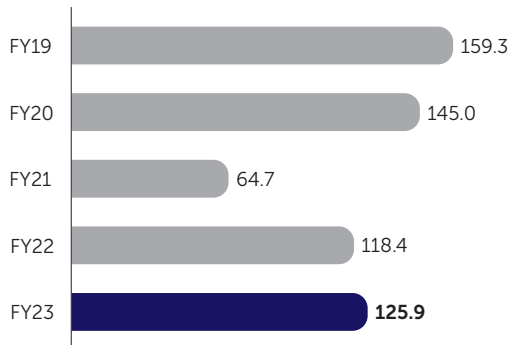
集团首席执行官

FIVE YEARS FINANCIAL SUMMARY

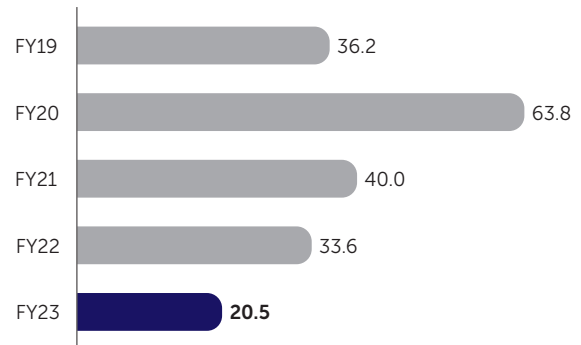
	FY19	FY20	FY21	FY22 Restated	FY23
Group Profit & Loss (S\$'m)					
Revenue	323.1	342.8	178.3	268.7	264.6
Gross Profit	15.0	44.2	10.9	27.7	6.3
(Loss)/Profit After Tax	(18.0)	7.3	(12.4)	5.8	(27.1)
EBITDA	9.4	40.8	15.1	32.4	2.9
Group Balance Sheet (S\$'m)					
Property, Plant & Equipment	137.1	132.5	125.0	128.6	124.7
Other Non-Current Assets	20.7	29.1	24.3	32.0	63.4
Total Current Assets	195.6	203.0	176.2	188.7	194.5
Total Assets	353.4	364.6	325.5	349.3	382.6
Total Equity	142.4	151.6	147.7	150.8	124.4
Other Non-Current Liabilities	19.5	18.0	19.8	39.0	72.2
Total Current Liabilities	191.5	195.0	158.0	159.5	186.0
Total Equity & Liabilities	353.4	364.6	325.5	349.3	382.6
Per Share Data (Cents)					
(Loss)/Earnings After Tax (Basic)	(0.86)	0.23	(0.37)	0.16	(0.76)
Net Asset Value	6.10	5.84	4.14	4.27	3.54
Financial Ratios					
Return on Equity	-15.6%	4.7%	-9.0%	4.8%	-23.8%
Gross Profit Margin	4.6%	12.9%	6.1%	10.3%	2.4%
Debt/Equity Ratio	72.1%	58.0%	51.9%	61.0%	75.3%
Current Ratio	1.02	1.04	1.11	1.18	1.05

FINANCIAL HIGHLIGHTS

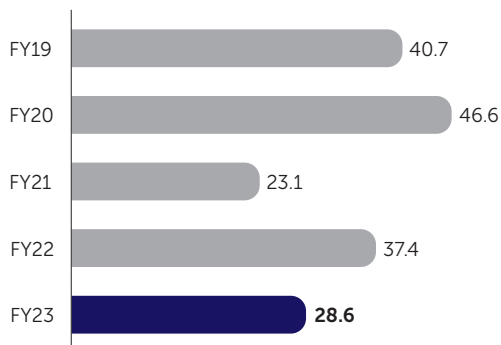
BORED PILES / DIAPHRAGM WALLS



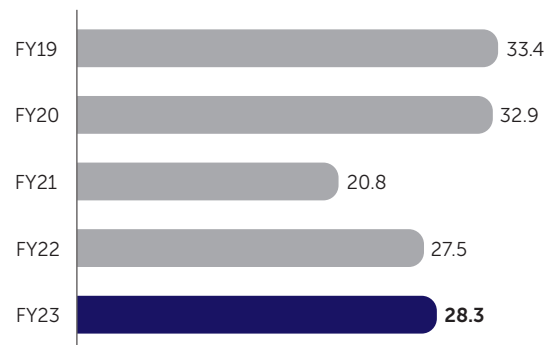
DRIVEN PILES / JACK - IN PILES



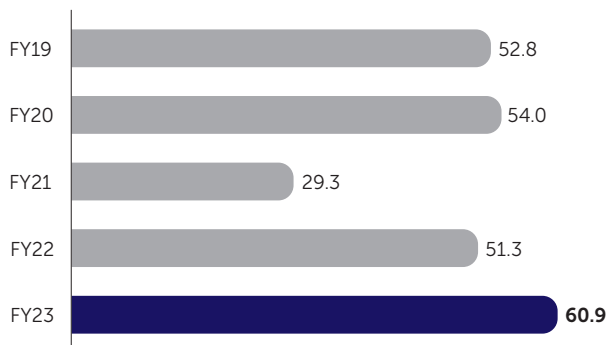
MICRO PILES / OTHER FOUNDATION - RELATED ACTIVITIES



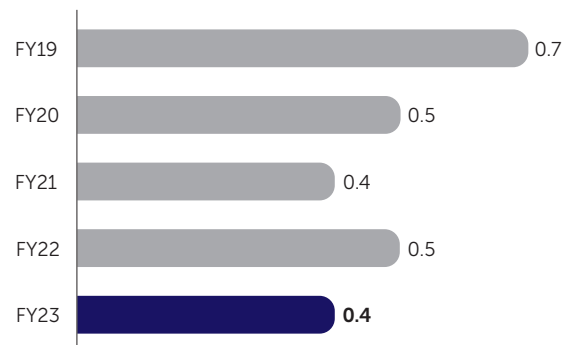
SOIL INVESTIGATION & INSTRUMENTATION WORKS



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

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

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



ONG TIEW SIAM

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.

**TAN HUP FOI & TAN HUP HOI****NG SAN TIONG****TEO BENG TECK**

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

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 was elected as the Chairman of the Board of Trustees of Chinese Development Assistance Council (CDAC) since June 2022 after serving as a board member for 10 years. In addition, Mr Ng is the Vice Chairman of the China & North Asia Business Group (CNABG) of Singapore Business Federation; and a Chairman on the Board of SPH Foundation Limited.

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)**



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

Deputy Group Chief Executive Officer (Deputy "Group CEO") / Group Chief Operating Officer ("Group COO") / Chief Sustainability Officer ("CSO")

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 Deputy Group CEO (since May 2022), Group COO (since June 2016) and CSO (since August 2021). As the Deputy Group CEO, Group COO and CSO, Mr Koo will be responsible for marketing, operational and sustainability matters of the Group.

Mr Koo has more than 28 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 ("HR") & Administration

Ms Ho joined the Group in February 2022 as Head, Group HR & 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 25 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

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

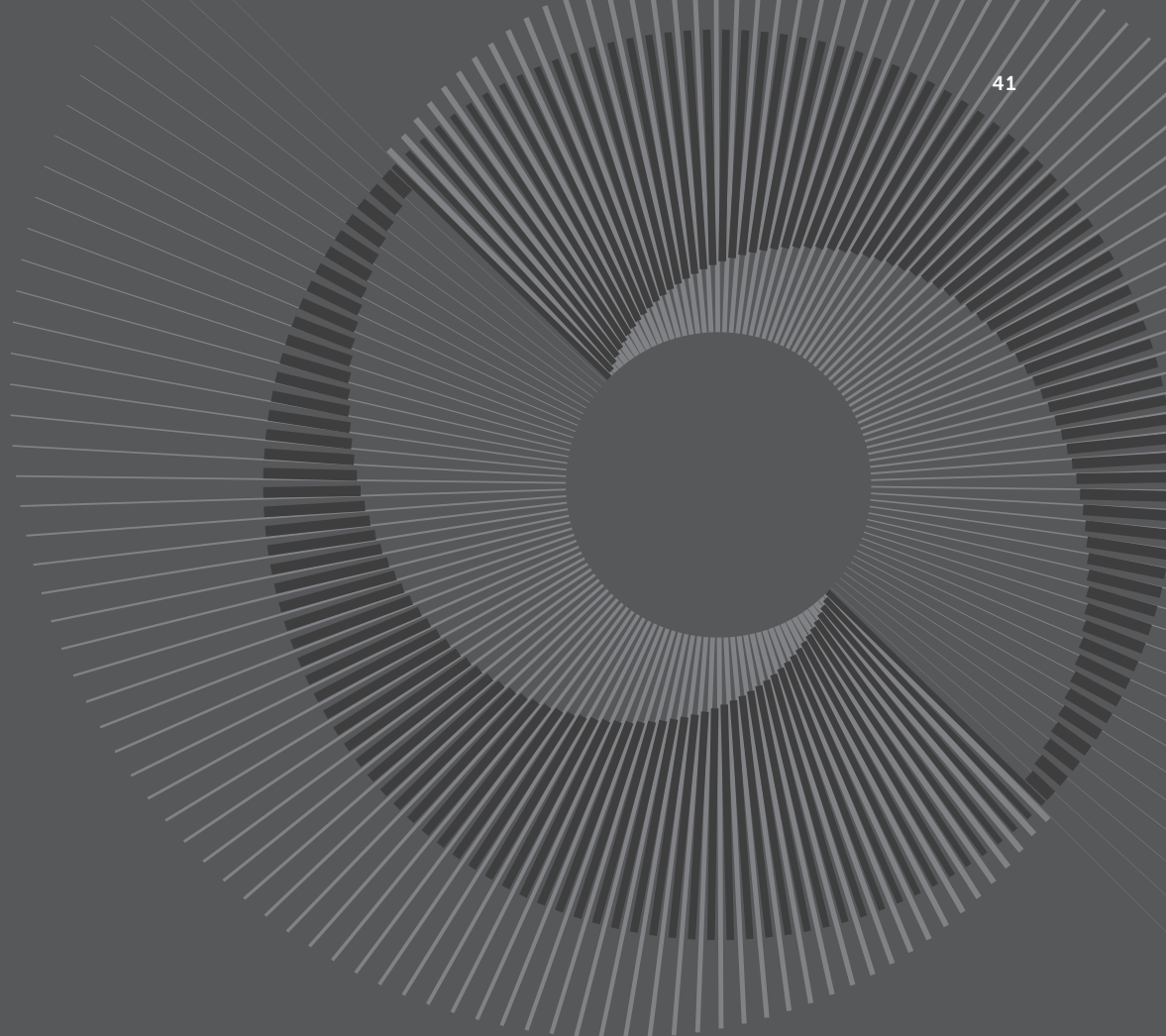
**Managing Director of G-Pile Sistem Sdn Bhd ("G-Pile")
and Borneo Geotechnic Sdn Bhd ("BG")**

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.







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Proxy Form

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 (last amended 11 January 2023) (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 sustainability-related matters (including climate-related issues) 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 set 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*).

CORPORATE GOVERNANCE REPORT

During the financial year ended 31 March 2023 (“FY2023”), seminars, courses and/or training programmes attended by Directors are set out below (*Provision 1.2 of the Code*): –

Director	Seminar/course/training programme	Conducted / Organised by
Dr Leong Horn Kee	How can Boards of REIT Managers drives the Sustainability agenda in their respective REITs	REIT Association of Singapore
See Yen Tarn	Environmental, Social and Governance Essentials (Core)	Singapore Institute of Directors
Teo Beng Teck		
Tan Hup Foi @ Tan Hup Hoi		
Ng San Tiong Roland		
Ong Tiew Siam	Environmental, Social and Governance Essentials (Core)	Singapore Institute of Directors
	Audit and Risk Committee Seminar 2023	Singapore Institute of Directors

The Directors have been keeping themselves abreast of 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. New Directors will undergo an orientation programme whereby they are briefed by the Group Chief Executive Officer (“CEO”), Deputy Group Chief Executive Officer (“DCEO”) / 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*).

There was no new Director appointed to the Board of the Company in FY2023.

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, social and governance factors including climate-related issues / risks and opportunities, as part of the Company’s strategic formulation;
- (3) Overseeing the overall sustainability initiatives/reporting of the Company and climate-related risks and opportunities with respect to all stakeholders’ expectations; and reviewing sustainability report and significant issues (including climate-related risks) identified.
- (4) Monitoring the performance of Management;
- (5) Monitoring the Company’s key risks and mitigation strategies;
- (6) Overseeing the processes for evaluating the adequacy and effectiveness of internal controls, risk management systems, financial reporting and compliance of the Group;
- (7) Approving the appointment of Directors of the Company and Key Management Personnel of the Group;
- (8) Approving the announcement of unaudited half year financial results and unaudited full year financial results and audited financial statements;
- (9) Endorsing remuneration framework and key human resource matters of the Group;
- (10) Convening of general meetings;

CORPORATE GOVERNANCE REPORT

- (11) Approving annual budgets, major funding proposals, major acquisition and major disposal of investments according to the Listing Manual of the SGX-ST; and
- (12) 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.

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 FY2023 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	9	4	2	1	–	1
See Yen Tarn	9	*4	*2	1	4	1
Teo Beng Teck	9	4	2	*1	4	1
Ong Tiew Siam	9	4	2	*1	4	1
Tan Hup Foi @ Tan Hup Hoi	9	4	2	1	–	1
Ng San Tiong Roland	9	4	2	*1	–	1
Number of meeting(s) held in FY2023	9	4	2	1	4	1

* Attendance of Director (who was non-member) by invitation of the Board Committee.

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*).

CORPORATE GOVERNANCE REPORT

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*).

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.

CORPORATE GOVERNANCE REPORT

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.

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 FY2023, 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 FY2023, 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 Chairman of the Board 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 FY2023, 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.

CORPORATE GOVERNANCE REPORT

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.

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.

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 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.

CORPORATE GOVERNANCE REPORT

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

3. Board independence

Independent Directors	3
Non-Independent Directors	3

4. Directors' age group

60-69	1
70-79	5

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*).

CORPORATE GOVERNANCE REPORT

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 DCEO in May 2022. Mr Koo is also the COO (since June 2016) and Chief Sustainability Officer ("**CSO**") (since August 2021). As the 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.

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 Fui @ 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.

CORPORATE GOVERNANCE REPORT

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 Director to the effectiveness of the Board; and
- g) To review training and professional development programs for the Board/Directors.

During FY2023, the NC held one (1) meeting 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**") and (vi) the appointment of Mr Koo Chung Chong as the DCEO, amongst its other duties.

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*).

CORPORATE GOVERNANCE REPORT

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.

Pursuant 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.

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. - PARAGON REIT Management Pte Ltd (formerly known as SPH Reit Management Pte Ltd) which is the management company of listed company, SPH Reit Singapore Ambassador to Argentina	Singapore High Commissioner to Cyprus Director of ESR-LOGOS Funds Management (S) Limited (formerly known as ESR Funds Management (S) Limited) which is the management company of listed company, ESR Reit

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 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 - Singhaiyi Group Ltd - Eindex 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 CosmoSteel Holdings Limited	Director of Valuetronics Holdings Limited
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 - Vertex Technology Acquisition Corporation Ltd Director and Chairman of - 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	Member of NTUC-U Care Fund Board of Trustees Director and Chairman of Transit Link Pte Ltd

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 / 28 July 2022	Non-Executive Director Member of Risk Management Committee, Audit Committee and Remuneration Committee	Nil	Nil
Mr Ng San Tiong Roland	2 August 2021 / 28 July 2022	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 Director and Chairman of SPH Foundation Limited Chairman of Chinese Development Assistance Council	Alternate Director of Intraco Limited President of the 59th & 60th Councils of the Singapore Chinese Chamber of Commerce & Industry (SCCCI) Chairman of Toa Payoh Central Citizens' Consultative Committee

* Dr Leong Horn Kee and Mr Tan Hup Foi @ Tan Hup Hoi will be seeking re-election at the forthcoming AGM under Regulation 104 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 FY2023, 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.

CORPORATE GOVERNANCE REPORT

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 the two-tier vote mechanism, 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.

On 11 January 2023, Singapore Exchange Regulation (SGX RegCo) announced Listing Rule changes to limit the tenure of Independent Directors to nine (9) years ("**New Requirement**") and to remove the two-tier vote mechanism for listed companies to retain long-serving Independent Directors who have served for more than nine (9) years. Under Listing Rule 210(5)(d)(iv) effective from 11 January 2023, Mr Tan can continue to be deemed independent until the Company's AGM to be held in July 2024, if he is re-elected a Director at the Company's forthcoming AGM.

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.

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 the respective Board Committees, has led the respective Board Committees effectively in making independent and objective decision.

CORPORATE GOVERNANCE REPORT

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.

The NC and Board had noted the New Requirement. 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.

The NC has recommended the nomination of Dr Leong Horn Kee and Mr Tan Hup Foi @ Tan Hup Hoi 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 review of their independence, 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 Dr Leong Horn Kee and Mr Tan Hup Foi @ Tan Hup Hoi possesses the relevant experience, expertise, knowledge and skills to contribute towards the core competencies of the Board and has accepted the NC's recommendation. Dr Leong Horn Kee and Mr Tan Hup Foi @ Tan Hup Hoi, being eligible, will be offering themselves for re-election at the AGM. The additional information of the retiring Directors, Dr Leong Horn Kee and Mr Tan Hup Foi @ Tan Hup Hoi, is set out on pages 182 to 187 of this Annual Report.

Each member of the NC and/or Board is required to abstain from voting on any resolutions, making any recommendations and/or participating in any deliberations of the NC and/or Board 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, approved by the Board, 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.

CORPORATE GOVERNANCE REPORT

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*).

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*).

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;

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- (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 FY2023, the RC held two (2) meetings to review/consider and recommend to the Board, where appropriate, (i) remuneration packages of the Executive Director/CEO, Mr Koo Chung Chong as DCEO 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 a Director and 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 and/or Board is required to abstain from voting on any resolutions, making any recommendations and/or participating in any deliberations of the RC and/or Board 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.

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 FY2023 (*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.

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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 2024, to be paid quarterly in arrears. This recommendation had been endorsed by the Board and will be tabled at the forthcoming AGM for shareholders' approval. The total amount of Directors' fees paid to the Directors for FY2023 was S\$420,000.

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 FY2023 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\$700,000.01 to S\$800,000	See Yen Tarn*	–	77.13	22.87	100
Below S\$100,000	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 FY2023, 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\$100,000 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*).

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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.

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 FY2023 in bands of S\$100,000 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\$600,000	1	77.25	22.75	–	100
S\$400,000.01 to S\$500,000	1	84.16	15.84	–	100
S\$300,000.01 to S\$400,000	5	82.48	17.22	0.30	100
S\$200,000.01 to S\$300,000	3	82.86	17.14	–	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 FY2023 is approximately S\$3,470,000 (*Provision 8.1 of the Code*).

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Mr Ng Sun Oh (Managing Director of ICE Far East Group, comprising ICE Far East Pte Ltd and all its subsidiaries, 55% owned by the Company) is the brother of:–

- (i) Mr Ng San Tiong Roland, Non-Executive Director and a controlling shareholder of the Company;
- (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 FY2023 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\$300,000.01 to S\$400,000	92.89	7.11	–	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*).

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 FY2023, Management carried out an annual review of the Group's key risks and effectiveness of key internal controls in place within the Group.

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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;
- c) overseeing and advising the Board on the current operating risk exposure and future risk strategy of the Company;
- d) reviewing the adequacy and effectiveness of the Company's programs, processes and initiatives in managing sustainability risks, including climate-related risks in line with the Group's business objectives; and
- e) monitoring and overseeing progress on sustainability initiatives/reporting of the Company and climate-related risks and opportunities with respect to all stakeholders' expectations; and reviewing sustainability report and significant issues (including climate-related risks) identified.

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 FY2023, 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. The RMC had also reviewed the Sustainability Report for the financial year ended 31 March 2022, which was recommended to and approved by the Board.

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. 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.

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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 FY2023, 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.

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 FY2023 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 FY2023.

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.

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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;
- (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;

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- (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.

The AC has also conducted a review of all non-audit services provided by the external auditors and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. The audit and non-audit fees paid / payable to the external auditors for FY2023 were approximately S\$453,000 and S\$164,000 respectively.

The Company has established a pre-approval policy of non-assurance services which sets forth procedures and conditions whereby proposed permissible non-assurance services to be provided by the independent auditor can be presented to the Board for approval to provide the services.

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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 CEO, DCEO/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 FY2023, 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 auditors.

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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 whistleblower 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. 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.

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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*).

Directors are expected to attend AGMs/general meetings of the Company. All Directors (including the Group CEO who is also a Director) and Messrs KPMG LLP (Auditors of the Company) attended the Company's AGM held in 2022 either in-person or via electronic means (*Provision 11.3 of the Code*).

Forthcoming 2023 AGM

The Company's forthcoming AGM will be held physically at 2 Tanjong Penjuru Crescent, #06-02, Singapore 608968 on 27 July 2023 at 10:00 am ("**2023 AGM**"). There will be no option for shareholders to participate virtually. Please refer to the Notice of 2023 AGM 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.

CORPORATE GOVERNANCE REPORT

No dividend has been recommended by the Board in respect of FY2023 in view of the loss reported by the Company for FY2023 and so as to conserve the Group's cash position.

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 shareholders and stakeholders of the Company 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 2023 (*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 SGX-ST's Listing Manual 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 the disclosure requirements of the Listing Manual of the 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 interested in any IPT and/or an associate of the interested person(s)) will abstain from the review and approval of such transactions.

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, sale and purchase of plant and equipment	706
Tat Hong Plant Leasing Pte Ltd	Note 1	Expenses relating to leases	252
Tat Hong Machinery Pte Ltd	Note 1	Revenue from rental income	110

Note:

(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 including climate-related disclosures; taking into account their relevance to our business, strategy, business model and key stakeholders. Progress update on the Group's sustainability reporting would be included on the agenda of the RMC meeting as appropriate to receive relevant report from the Sustainability Team. Accordingly, the RMC would report the same to the Board.

The Company will publish its Sustainability Report for FY2023 by 31 July 2023. To minimise the impact on the environment, the report will be published online via the Company's corporate website at <http://www.cschl.com.sg> and on the SGX-ST's website, 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 2023.

In our opinion:

- (a) the financial statements set out on pages 79 to 171 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 2023 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	
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	Holdings at end of the year
The Company		
See Yen Tarn		
– ordinary shares		
– deemed interest	22,449,996	22,449,996
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

DIRECTORS' STATEMENT

DIRECTORS' INTERESTS (CONT'D)

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
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 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 2023.

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, or its subsidiaries; and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company, or its subsidiaries.

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

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
- 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.

DIRECTORS' STATEMENT

AUDIT COMMITTEE (CONT'D)

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.

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 2023

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 2023, 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 171.

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 2023, 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.

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

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. Geopolitical uncertainties, elevated raw material and energy prices ("Geopolitical risk") 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 Geopolitical risk on the Group's contract costs. We assessed the financial impact of the Geopolitical risk 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 23 to the financial statements)

Risk:

The Group's trade receivables and contract assets (collectively, the 'contract receivables') amounted to \$68 million and \$67 million (2022: \$50 million and \$73 million) respectively as at 31 March 2023. 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:

The Group has a significant asset base and incurred losses in the current year as a result of the challenging macro environment. Management has identified the existence of impairment indicators and carried out an impairment assessment on its property, plant and equipment. As at 31 March 2023, the Group's carrying amounts of property, plant and equipment largely consisted of freehold and leasehold land and properties of \$19 million (2022: \$19 million) and plant and machinery of \$100 million (2022: \$106 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 on the other information that we obtained prior to the date of this auditors' report, 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.

INDEPENDENT AUDITORS' REPORT

MEMBERS OF CSC HOLDINGS LIMITED

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.

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 2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

		31 March 2023 \$'000	Group 31 March 2022 \$'000 Restated*	1 April 2021 \$'000	Company 31 March 2023 \$'000	31 March 2022 \$'000
	Note					
Non-current assets						
Property, plant and equipment	4	124,723	128,642	124,983	–	–
Right-of-use assets	5	41,227	3,015	4,594	36,620	120
Goodwill	6	552	552	552	–	–
Investment property	7	115	122	212	–	–
Investments in:						
– subsidiaries	8	–	–	–	97,904	89,904
– associates	10	8,175	8,278	3,260	–	–
Other investments	12	–	–	162	–	–
Contract assets	23	618	12,982	11,679	–	–
Trade and other receivables	14	12,619	6,961	3,856	9,222	13,000
Deferred tax assets	20	37	29	42	402	579
		188,066	160,581	149,340	144,148	103,603
Current assets						
Inventories	13	24,519	27,183	31,444	–	–
Contract assets	23	66,721	59,841	50,485	–	–
Trade and other receivables	14	79,339	66,908	58,640	19,425	19,718
Tax recoverable		416	420	414	–	–
Cash and cash equivalents	15	22,804	34,362	34,604	711	854
		193,799	188,714	175,587	20,136	20,572
Assets held for sale	16	755	–	581	–	–
		194,554	188,714	176,168	20,136	20,572
Total assets		382,620	349,295	325,508	164,284	124,175
Equity attributable to owners of the Company						
Share capital	17	94,089	94,089	94,089	94,089	94,089
Reserves	18	4,963	30,966	26,368	14,900	16,921
		99,052	125,055	120,457	108,989	111,010
Non-controlling interests	9	25,303	25,703	27,234	–	–
Total equity		124,355	150,758	147,691	108,989	111,010
Non-current liabilities						
Loans and borrowings	19	59,563	30,293	17,756	37,534	1,669
Trade and other payables	21	10,875	6,389	–	–	–
Provisions	22	60	–	–	60	–
Deferred tax liabilities	20	1,729	2,298	2,052	–	–
		72,227	38,980	19,808	37,594	1,669
Current liabilities						
Loans and borrowings	19	77,130	64,729	63,662	2,442	851
Contract liabilities	23	480	299	574	–	–
Trade and other payables	21	103,724	88,212	85,746	15,259	10,645
Provisions	22	4,360	5,872	7,747	–	–
Current tax payable		344	445	280	–	–
		186,038	159,557	158,009	17,701	11,496
Total liabilities		258,265	198,537	177,817	55,295	13,165
Total equity and liabilities		382,620	349,295	325,508	164,284	124,175

* See note 2.5. The comparative information is restated on account of a change in accounting policy for investment property.

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

YEAR ENDED 31 MARCH 2023

	Note	2023 \$'000	2022 \$'000 Restated*
Revenue	23	264,599	268,740
Cost of sales		(258,304)	(241,024)
Gross profit		6,295	27,716
Other income		1,741	1,746
Distribution expenses		(1,109)	(1,213)
Administrative expenses		(29,172)	(24,126)
Other operating expenses		(166)	(538)
Impairment loss recognised on trade and other receivables and contract assets		(328)	(986)
Results from operating activities		(22,739)	2,599
Finance income		1,114	1,888
Finance expenses		(5,679)	(3,149)
Net finance expenses	24	(4,565)	(1,261)
Share of (loss)/profit of associates (net of tax)		(84)	5,122
(Loss)/Profit before tax		(27,388)	6,460
Tax credit/(expense)	25	284	(616)
(Loss)/Profit for the year	26	(27,104)	5,844
(Loss)/Profit attributable to:			
Owners of the Company		(26,681)	5,859
Non-controlling interests		(423)	(15)
(Loss)/Profit for the year		(27,104)	5,844
(Loss)/Earnings per share	27		
Basic (loss)/earnings per share (cents)		(0.76)	0.16
Diluted (loss)/earnings per share (cents)		(0.76)	0.16

* See note 2.5. The comparative information is restated on account of a change in accounting policy for investment property.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH 2023

	2023 \$'000	2022 \$'000 Restated*
(Loss)/Profit for the year	(27,104)	5,844
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Revaluation surplus of property, plant and equipment	955	1,992
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	24	(491)
Other comprehensive income for the year, net of tax	979	1,340
Total comprehensive (expense)/income for the year	(26,125)	7,184
Total comprehensive (expense)/income attributable to:		
Owners of the Company	(25,875)	6,579
Non-controlling interests	(250)	605
Total comprehensive (expense)/income for the year	(26,125)	7,184

* See note 2.5. The comparative information is restated on account of a change in accounting policy for investment property.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2023

	Note	Share capital \$'000	Capital reserve \$'000	Reserve for own shares \$'000
At 1 April 2021		94,089	17,798	(2,354)
Total comprehensive expense for the year				
Profit/(Loss) for the year (restated)	2.5	–	–	–
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 (restated)	2.5	–	–	–
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 (restated)	2.5	94,089	17,798	(2,921)
At 1 April 2022, as previously stated		94,089	17,798	(2,921)
Impact of change in accounting policy	2.5	–	–	–
At 1 April 2022, as restated		94,089	17,798	(2,921)
Total comprehensive income/(expense) for the year				
Loss for the year		–	–	–
Other comprehensive income/(expense)				
Foreign currency translation differences		–	–	–
Revaluation surplus of property, plant and equipment		–	–	–
Transfer of revaluation surplus of property, plant and equipment		–	–	–
Total other comprehensive income		–	–	–
Total comprehensive income/(expense) for the year		–	–	–
Transactions with owners of the Company, recognised directly in equity				
Contributions by and distributions to owners				
Purchase of treasury shares	17	–	–	(128)
Dividends paid to non-controlling interests		–	–	–
Total contributions by and distributions to owners		–	–	(128)
Total transactions with owners of the Company		–	–	(128)
At 31 March 2023		94,089	17,798	(3,049)

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/ (losses) \$'000	Total attributable to owners of the Company \$'000	Non- controlling interests \$'000	Total equity \$'000
	116	(6,425)	1,385	(920)	16,768	120,457	27,234	147,691
	–	–	–	–	5,859	5,859	(15)	5,844
	–	(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	–	6,003	6,579	605	7,184
	–	–	–	–	–	(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)	22,771	125,055	25,703	150,758
	116	(6,713)	2,249	(2,334)	17,573	119,857	25,703	145,560
	–	–	–	–	5,198	5,198	–	5,198
	116	(6,713)	2,249	(2,334)	22,771	125,055	25,703	150,758
	–	–	–	–	(26,681)	(26,681)	(423)	(27,104)
	–	202	9	–	–	211	(187)	24
	–	–	595	–	–	595	360	955
	–	–	(178)	–	178	–	–	–
	–	202	426	–	178	806	173	979
	–	202	426	–	(26,503)	(25,875)	(250)	(26,125)
	–	–	–	–	–	(128)	–	(128)
	–	–	–	–	–	–	(150)	(150)
	–	–	–	–	–	(128)	(150)	(278)
	–	–	–	–	–	(128)	(150)	(278)
	116	(6,511)	2,675	(2,334)	(3,732)	99,052	25,303	124,355

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2023

	Note	2023 \$'000	2022 \$'000 Restated*
Cash flows from operating activities			
(Loss)/Profit for the year		(27,104)	5,844
Adjustments for:			
Bad debts written off		21	21
Depreciation of:			
– property, plant and equipment	4	20,466	19,899
– right-of-use assets	5	5,220	4,736
Gain on disposal of property, plant and equipment		(964)	(993)
Gain on termination of lease liabilities		(14)	(2)
Impairment losses (reversed)/recognised on:			
– property, plant and equipment	4	(100)	268
– trade and other receivables and contract assets		328	986
Inventories written down	13	127	38
Inventories written off		8	1
Net finance expenses	24	4,565	1,261
Property, plant and equipment written off		6	63
Provision for onerous contracts	22	–	157
Provision for rectification costs	22	1,339	32
Share of loss/(profit) of associates (net of tax)	10	84	(5,122)
Tax (credit)/expense	25	(284)	616
		3,698	27,805
Changes in:			
– Inventories		3,918	4,780
– Contract assets		5,629	(10,459)
– Trade and other receivables		(21,437)	(10,293)
– Contract liabilities		181	(275)
– Trade and other payables		21,778	8,825
– Provision utilised for onerous contracts		(631)	(57)
– Provision utilised for rectification costs		(2,220)	(2,007)
Cash generated from operations		10,916	18,319
Taxes paid		(406)	(199)
Interest received		196	135
Net cash generated from operating activities		10,706	18,255

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

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2023

	Note	2023 \$'000	2022 \$'000 Restated*
Cash flows from investing activities			
Acquisition of:			
– property, plant and equipment		(9,524)	(14,660)
– investment property		–	(4)
– a subsidiary, net of cash acquired	8	–	32
Proceeds from disposal of:			
– property, plant and equipment		3,777	2,145
– investment property		–	28
Dividends received from an associate		–	70
Net cash used in investing activities		(5,747)	(12,389)
Cash flows from financing activities			
Interest paid		(5,556)	(2,989)
Acquisition of non-controlling interests of a subsidiary	9	–	(3,292)
Dividends paid to non-controlling interests of a subsidiary		(150)	(180)
Proceeds from:			
– bank loans		12,612	20,966
– refinancing of lease liabilities		–	13,184
– bills payable		140,143	140,938
Purchase of treasury shares	17	(128)	(567)
Repayment of:			
– bank loans		(15,350)	(24,283)
– bills payable		(133,297)	(132,652)
– lease liabilities		(16,254)	(16,337)
Changes in fixed deposit pledged		(904)	(450)
Net cash used in financing activities		(18,884)	(5,662)
Net (decrease)/increase in cash and cash equivalents		(13,925)	204
Cash and cash equivalents at 1 April		31,366	31,326
Effect of exchange rate fluctuations on cash held		(688)	(164)
Cash and cash equivalents at 31 March	15	16,753	31,366

* See note 2.5. The comparative information is restated on account of a change in accounting policy for investment property.

Significant non-cash transactions

- (a) During the financial year, the Group acquired property, plant and equipment with an aggregate cost of \$14,514,000 (2022: \$17,971,000), of which \$2,209,000 (2022: \$3,876,000) was acquired by means of hire purchase arrangements. At reporting date, the unpaid liabilities from the purchase of property, plant and equipment amounted to \$5,070,000 (2022: \$1,206,000). The unpaid liabilities for prior year's acquisition of property, plant and equipment amounting to \$2,289,000 (2022: \$1,771,000) were paid during the financial year.
- (b) During the financial year, the Group disposed of property, plant and equipment with a carrying amount of \$2,867,000 (2022: \$1,577,000) for a sale consideration of \$3,831,000 (2022: \$2,570,000), of which \$368,000 (2022: \$425,000) has yet to be received as at reporting date. Sale proceeds of \$314,000 (2022: \$Nil) from prior year's disposal of property, plant and equipment were also received during the financial year.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

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 2023.

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 2 Tanjong Penjuru Crescent, #06-02, Singapore 608968.

The financial statements of the Group as at and for the year ended 31 March 2023 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 2023

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, onerous contracts and reinstatement costs;
- 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.

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 operations.

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 2023

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 2023

2. BASIS OF PREPARATION (CONT'D)

2.5 Changes in accounting policies

(i) Accounting for investment property

On 1 April 2022, the Group changed its accounting policy with respect to the subsequent measurement of investment property from the cost model to the fair value model, with changes in fair value recognised in profit or loss. The Group believes that subsequent measurement using the fair value model provides more relevant information about the financial performance of these assets, assists users to better understand the risks associated with these assets and is consistent with industry practice in relation to these types of assets. This change in accounting policy was applied retrospectively.

Summary of quantitative impact

The following tables summarise the material impacts on the Group's consolidated statement of financial position, consolidated statement of profit or loss and consolidated statement of comprehensive income which mainly impacted by the changes in fair value on the investment property held by an associate company. There is no material impact on the Group's consolidated statement of financial position as at 1 April 2021 and total operating, investing or financing cash flows for the years ended 31 March 2023 and 31 March 2022.

Consolidated statement of financial position

As at 1 April 2022	Impact of change in accounting policy		
	As previously reported \$'000	Adjustments \$'000	As restated \$'000
Investment in associates*	3,080	5,198	8,278
Others	341,017	–	341,017
Total assets	344,097	5,198	349,295
Reserves	25,768	5,198	30,966
Others	119,792	–	119,792
Total equity	145,560	5,198	150,758

* includes the share of fair value changes in the investment property of the associate

As at 31 March 2023	Impact of change in accounting policy \$'000
Decrease in investment in associates	313
Decrease in total assets	313
Increase in accumulated losses	313
Decrease in total equity	313

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

2. BASIS OF PREPARATION (CONT'D)

2.5 Changes in accounting policies (cont'd)

(i) Accounting for investment property (cont'd)

Consolidated statement of profit or loss

Year ended 31 March 2022	Impact of change in accounting policy		
	As previously reported \$'000	Adjustments \$'000	As restated \$'000
Share of (loss)/profit or associates*	(76)	5,198	5,122
Others	722	–	722
Profit for the year	646	5,198	5,844
Profit/(Loss) attributable to:			
– Owners of the Company	661	5,198	5,859
– Non-controlling interests	(15)	–	(15)
Profit for the year	646	5,198	5,844

* includes the share of fair value changes in the investment property of the associate

Year ended 31 March 2023		Impact of change in accounting policy \$'000
Increase in share of loss of associates		313
Increase in loss for the year		313
Increase in loss attributable to owners of the Company		313

Consolidated statement of comprehensive income

Year ended 31 March 2022	Impact of change in accounting policy		
	As previously reported \$'000	Adjustments \$'000	As restated \$'000
Total comprehensive income for the year	1,986	5,198	7,184
Total comprehensive income attributable to:			
– Owners of the Company	1,381	5,198	6,579
– Non-controlling interests	605	–	605
Total comprehensive income for the year	1,986	5,198	7,184

Year ended 31 March 2023		Impact of change in accounting policy \$'000
Increase in total comprehensive expense attributable to owners of the Company		313

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

2. BASIS OF PREPARATION (CONT'D)

2.5 Changes in accounting policies (cont'd)

(ii) New standards and amendments

The Group has applied the following SFRS(I)s and amendments to SFRS(I) for the first time for the annual period beginning on 1 April 2022:

- Amendment to SFRS(I) 16: *COVID-19-Related Rent Concessions beyond 30 June 2021*
- Amendments to SFRS(I) 103: *Reference to the Conceptual Framework*
- Amendment to SFRS(I) 1-16: *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to SFRS(I) 1-37: *Onerous Contracts – Cost of Fulfilling a Contract*
- Annual Improvements to SFRS(I)s 2018-2020

Other than the amendments relating to SFRS(I) 37: *Onerous Contracts – Cost of Fulfilling a Contract*, the application of these amendments to standards and interpretations does not have a material effect on the financial statements.

The Group has adopted Amendments to SFRS(I) 37: *Onerous Contracts – Cost of Fulfilling a Contract* from 1 April 2022. This resulted in a change in accounting policy for performing an onerous contracts assessment. Previously, the Group included only incremental costs to fulfil a contract when determining whether that contract was onerous. The revised policy is to include both incremental costs and an allocation of other direct costs.

The amendments apply prospectively to contracts existing at the date when the amendments are first applied. The Group has analysed all contracts existing at 1 April 2022 and determined that none of them would be identified as onerous applying the revised accounting policy – i.e. there is no impact on the opening equity balances as at 1 April 2022 as a result of the change.

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

Business combinations (cont'd)

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 2023

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Property, plant and equipment (cont'd)

Recognition and measurement (cont'd)

Plant and equipment (cont'd)

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.

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:

Freehold property	10 years
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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Leases (cont'd)

As a lessee (cont'd)

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.

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'.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 and subsequently at fair value with any change therein recognised in profit or loss.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Financial instruments (cont'd)

(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 2023

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 2023

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Financial instruments (cont'd)

(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.

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.

Interest rate benchmark reform

When 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, the Group updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. No immediate gain or loss is recognised. 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

When changes were 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, 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. After that, the Group applies the policies on accounting for modifications to the additional changes.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Financial instruments (cont'd)

(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 consolidated 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).

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Impairment (cont'd)

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

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Impairment (cont'd)

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

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 2023

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 2023

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 2023

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.

Reinstatement costs

A provision for dismantlement, removal and restoration costs is recognised when the Group enters into a lease arrangement that contains the obligation to reinstate the leased asset to its original state. The provision is based on the estimated costs required to fulfil the obligation.

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Revenue (cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Revenue (cont'd)

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.

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*.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.17 Tax (cont'd)

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.

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.

Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the carrying amount of the investment property is presumed to be recovered through sale, and the Group has not rebutted this presumption. 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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, interpretations and amendments to standards are not yet effective and have not been applied in preparing these financial statements. An explanation of the impact, if any, on adoption of these new requirements is provided in note 32.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

4 PROPERTY, PLANT AND EQUIPMENT

	Freehold land and property \$'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 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
Additions	–	–	11,564	2,685	265	14,514
Reclassification from inventories	–	–	7,569	–	–	7,569
Reclassification as assets held for sale	–	–	(9,039)	–	–	(9,039)
Reclassification	467	–	(17)	(450)	–	–
Revaluation	78	877	–	–	–	955
Elimination of accumulated depreciation against cost on revaluation	(133)	(1,324)	–	–	–	(1,457)
Disposals/write-offs	–	–	(8,419)	(1,661)	(376)	(10,456)
Transfer to inventories	–	–	(2,874)	–	–	(2,874)
Effect of movements in exchange rates	(85)	–	(3,848)	(100)	(35)	(4,068)
At 31 March 2023	2,258	17,050	352,634	15,598	4,577	392,117

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land and property \$'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 2021	–	–	244,371	12,088	3,559	260,018
Depreciation charge for the year	–	788	18,144	577	390	19,899
Impairment losses charged	–	–	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
Depreciation charge for the year	22	1,271	17,934	863	376	20,466
Impairment losses reversed	–	–	(100)	–	–	(100)
Reclassification as assets held for sale	–	–	(8,284)	–	–	(8,284)
Reclassification	114	–	(10)	(104)	–	–
Elimination of accumulated depreciation against cost on revaluation	(133)	(1,324)	–	–	–	(1,457)
Disposals/write-offs	–	–	(5,592)	(1,645)	(346)	(7,583)
Transfer to inventories	–	–	(1,362)	–	–	(1,362)
Effect of movements in exchange rates	(3)	–	(2,511)	(71)	(32)	(2,617)
At 31 March 2023	–	–	252,146	11,645	3,603	267,394
Carrying amounts						
At 1 April 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
At 31 March 2023	2,258	17,050	100,488	3,953	974	124,723

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (i) Included in the above are property, plant and equipment acquired under hire purchase arrangements (note 19) with the following carrying amounts:

	Group	
	2023 \$'000	2022 \$'000
Plant and machinery	35,167	40,566
Motor vehicles	669	956
	<u>35,836</u>	<u>41,522</u>

- (ii) Leasehold land and properties of the Group with total carrying amounts of \$15,550,000 (2022: \$15,844,000) 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 \$955,000 (2022: surplus of \$1,992,000) 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 4.6% (2022: 6.6%) 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 \$193,000 (2022: \$116,000) and decrease/(increase) in other comprehensive income (and revaluation reserve) of \$193,000 (2022: \$116,000). 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 2023 would have been \$15,445,000 (2022: \$16,200,000).
- (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 that resulted in losses recognised for the year, 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 42.0% (2022: 41.0%) 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 \$1,200,000 (2022: \$1,000,000) and decrease/(increase) in profit or loss (and accumulated profits) of \$Nil (2022: \$21,000).

As a result of the determination of recoverable amounts, a total impairment loss of \$100,000 was reversed on certain plant and machinery in the sales and lease of equipment business segment (2022: impairment loss recognised of \$268,000). The impairment loss was reversed/recognised under other operating expenses in the consolidated statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (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 2023

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 1 year 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 6 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
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Group

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
At 1 April 2022	317	2,239	110	349	3,015
Additions	3,214	39,539	92	622	43,467
Depreciation charge for the year	(934)	(3,732)	(40)	(514)	(5,220)
Termination of lease	–	–	(35)	–	(35)
At 31 March 2023	2,597	38,046	127	457	41,227

	Buildings \$'000	Office equipment \$'000	Total \$'000
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Company

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
At 1 April 2022	103	17	120
Additions	39,008	–	39,008
Depreciation charge for the year	(2,503)	(5)	(2,508)
At 31 March 2023	36,608	12	36,620

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

5 LEASES (CONT'D)

Leases as lessee (cont'd)

Amounts recognised in consolidated statement of profit or loss

	Group	
	2023 \$'000	2022 \$'000
Interest on lease liabilities	2,453	1,141
Expenses relating to short-term leases	16,314	15,489
Expenses relating to leases of low-value assets	2	2

Amounts recognised in consolidated statement of cash flow

	Group	
	2023 \$'000	2022 \$'000
Total cash outflow for leases	18,707	4,294

Included in the cash outflow for leases are lease payments to a related corporation of \$Nil (2022: \$697,000) 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 \$1,386,000 (2022: \$1,452,000).

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 2023

5 LEASES (CONT'D)

Leases as lessor (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 2023 was \$12,676,000 (2022: \$10,283,000).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	2023 \$'000	2022 \$'000
Less than one year	1,083	640

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.

	2023 \$'000	2022 \$'000
Less than one year	1,640	2,221
One to two years	2,043	54
Two to three years	2,044	–
Total undiscounted lease receivables	5,727	2,275
Unearned finance income	(186)	(12)
At 31 March	5,541	2,263

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

6 GOODWILL

	Goodwill on consolidation \$'000
Group	
Cost	
At 1 April 2021, 31 March 2022 and 31 March 2023	2,539
Accumulated impairment losses	
At 1 April 2021, 31 March 2022 and 31 March 2023	1,987
Carrying amounts	
At 1 April 2021, 31 March 2022 and 31 March 2023	552

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill has been allocated to Wisescan Engineering Services Pte. Ltd. ('WES') cash-generating unit, which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes:

	2023 \$'000	2022 \$'000
WES	552	552

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 (2022: five-year) period.

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.

7 INVESTMENT PROPERTY

As at 31 March 2023, investment property comprises residential units.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

8 INVESTMENTS IN SUBSIDIARIES

	Company	
	2023 \$'000	2022 \$'000
Equity investment, at cost	142,129	134,129
Impairment losses	(44,225)	(44,225)
	<u>97,904</u>	<u>89,904</u>

The following resulted in the change in the investments in subsidiaries:

Financial year ended 31 March 2023

Certain non-trade amount owing by a subsidiary of \$8,000,000 (2022: \$Nil) was capitalised and recorded by the Company as an increase in cost of investment in the subsidiary during the current financial year.

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 \$5,832,000.

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	<u>50</u>
Cash consideration paid	(23)
Net cash acquired	<u>55</u>
Net cash inflow arising from the acquisition	<u>32</u>

Impairment losses

There is no impairment loss recognised or reversed in respect of investments in subsidiaries during 2022 and 2023.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

8 INVESTMENTS IN SUBSIDIARIES (CONT'D)

Impairment losses (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		
			2023 %	2022 %	
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	55	
* ICE Far East Sdn. Bhd.	Trading and rental of piling hammers and other foundation equipment	Malaysia	55	55	
# ICE Far East (HK) Limited	Rental of machinery and other related services	Hong Kong	55	55	
* ICE Far East (Thailand) Co., Ltd	Trading and rental of machinery and other related services	Thailand	55	55	
# 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	

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YEAR ENDED 31 MARCH 2023

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		
			2023 %	2022 %	
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	55	55	
* 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	

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

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	
			2023 %	2022 %

Held by Company (cont'd)

+ Soil Investigation Pte. Ltd.	Soil investigation, laboratory testing, geotechnical instrumentation and monitoring works	Singapore	100	100
+ 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 (currently dormant)	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.	Property development	Singapore	100	100

+ 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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

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	
			2023 %	2022 %
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
2023				
Revenue	61,620	8,946		
(Loss)/Profit	(2,774)	1,158		
Other comprehensive income	213	255		
Total comprehensive (expense)/income	(2,561)	1,413		
Attributable to NCI:				
– (Loss)/Profit	(1,248)	347	478	(423)
– Other comprehensive income	96	77	–	173
Total comprehensive (expense)/income	(1,152)	424	478	(250)
Non-current assets	67,462	5,833		
Current assets	60,494	7,858		
Non-current liabilities	(23,005)	(1,043)		
Current liabilities	(57,368)	(2,657)		
Net assets	47,583	9,991		
Net assets attributable to NCI	23,522	2,998	(1,217)	25,303
Cash flows from operating activities	5,256	1,237		
Cash flows from/(used in) investing activities	3,455	(211)		
Cash flows used in financing activities (including dividends paid to NCI of \$150,000)	(9,005)	(471)		
Net (decrease)/increase in cash and cash equivalents	(294)	555		

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

9 NON-CONTROLLING INTERESTS (CONT'D)

	THLFE Group \$'000	WES \$'000	Intra-group elimination \$'000	Total \$'000
2022				
Revenue	52,438	7,907		
(Loss)/Profit	(1,395)	778		
Other comprehensive income	1,140	–		
Total comprehensive (expense)/income	(255)	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)		

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

9 NON-CONTROLLING INTERESTS (CONT'D)

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)

10 INVESTMENT IN ASSOCIATES

	Group 2023 \$'000	2022 \$'000 Restated
Unquoted equity investments	8,175	8,278

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	
			2023 %	2022 %
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
2TPC Investments Pte. Ltd. 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.

- (i) 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 \$1,440,000 (2022: \$1,538,000) 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

10 INVESTMENT IN ASSOCIATES (CONT'D)

- (ii) 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 2TPC Investments Pte. Ltd. ('2TPCI'), the Group only has significant influence over 2TPCI.

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	Total \$'000
2023			
Revenue	7	6,681	
(Loss)/Profit after tax	(576)	127	
Other comprehensive expense	(97)	–	
Total comprehensive (expense)/income	(673)	127	
Attributable to investee's shareholders	(673)	127	
Non-current assets	106	127,267	
Current assets	13,477	4,685	
Non-current liabilities	(12,369)	(86,290)	
Current liabilities	(188)	(5,760)	
Net assets	1,026	39,902	
Attributable to investee's shareholders	1,026	39,902	
Group's interest in net assets of investee at beginning of the year	324	7,954	8,278
Share of total comprehensive (expense)/income			
– (Loss)/Profit after tax	(110)	26	(84)
– Other comprehensive expense	(19)	–	(19)
	(129)	26	(103)
Carrying amount of interest in investee at end of the year	195	7,980	8,175

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

10 INVESTMENT IN ASSOCIATES (CONT'D)

	WB TOP3 \$'000	2TPC Group \$'000 Restated	Immaterial associates \$'000	Total \$'000
2022				
Revenue	16	700		
(Loss)/Profit after tax	(522)	25,600		
Other comprehensive expense	(15)	–		
Total comprehensive (expense)/income	(537)	25,600		
Attributable to investee's shareholders	(537)	25,600		
Non-current assets	108	116,243		
Current assets	14,811	8,471		
Non-current liabilities	(13,217)	(72,922)		
Current liabilities	(3)	(12,018)		
Net assets	1,699	39,774		
Attributable to investee's shareholders	1,699	39,774		
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)	5,120	101	5,122
– Other comprehensive expense	(3)	–	–	(3)
	(102)	5,120	101	5,119
Elimination of dividend received from an associate	–	–	(70)	(70)
Others	–	–	(31)	(31)
Carrying amount of interest in investee at end of the year	324	7,954	–	8,278

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

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	
			2023 %	2022 %

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 \$3,632,000 (2022: \$4,032,000) 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

12 OTHER INVESTMENTS

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 2023 and 31 March 2022.

The fair value as at 31 March 2023 is \$Nil (2022: \$Nil).

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 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 Ackcio. No strategic investments were disposed of, relating to this investment, during the year ended 31 March 2023.

The fair value as at 31 March 2023 is \$Nil (2022: \$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 2023

13 INVENTORIES

	Group	
	2023 \$'000	2022 \$'000
Equipment and machinery, at cost	9,279	14,219
Equipment and machinery, at net realisable value	1,046	1,312
Spare parts	10,171	9,428
Raw materials	4,023	2,224
	24,519	27,183
Allowance for obsolete inventories	*	*
	24,519	27,183

* Less than \$1,000

The cost of inventories recognised in cost of sales amounted to \$109,745,000 (2022: \$97,168,000).

Included in the above are inventories amounting to \$2,552,000 (2022: \$3,768,000) acquired under hire purchase agreements (note 19).

As at 31 March 2023, the write down of inventories to net realisable value amounted to \$127,000 (2022: \$38,000) 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 2023 and 31 March 2022.

Source of estimation uncertainty

For the financial year ended 31 March 2023, 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 2023

14 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Non-current assets				
Trade receivables	6,303	4,516	–	–
Impairment losses	(36)	(36)	–	–
	6,267	4,480	–	–
Lease receivables	4,016	53	–	–
Amounts owing by:				
– subsidiaries (non-trade)	–	–	16,385	20,745
– impairment losses	–	–	(7,163)	(7,745)
	–	–	9,222	13,000
– THAB – other investment (non-trade)	1,798	1,865	–	–
– impairment losses	(147)	(153)	–	–
	1,651	1,712	–	–
Loans owing by:				
– an associate	72	77	–	–
– impairment losses	(2)	(2)	–	–
	70	75	–	–
– THAB – other investment	635	661	–	–
– impairment losses	(20)	(20)	–	–
	615	641	–	–
	12,619	6,961	9,222	13,000
Current assets				
Trade receivables	71,825	55,617	1	1
Impairment losses	(6,330)	(6,644)	(1)	(1)
	65,495	48,973	–	–
Other receivables	2,883	2,987	237	7
Impairment losses	(1)	(1)	(1)	(1)
	2,882	2,986	236	6
Lease receivables	1,525	2,210	–	–
Impairment losses	(3)	(3)	–	–
	1,522	2,207	–	–
Loan owing by an associate	4,200	4,200	–	–

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

14 TRADE AND OTHER RECEIVABLES (CONT'D)

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Current assets (cont'd)				
Amounts owing by:				
– subsidiaries (trade)	–	–	3,580	1,640
– impairment losses	–	–	(452)	(45)
	–	–	3,128	1,595
– subsidiaries (non-trade)	–	–	16,965	18,314
– impairment losses	–	–	(1,390)	(853)
	–	–	15,575	17,461
Amounts owing by:				
– associates (non-trade)	916	1,342	–	–
– impairment losses	(28)	(394)	–	–
	888	948	–	–
– related corporations (trade)	415	488	–	–
– impairment losses	(5)	(5)	–	–
	410	483	–	–
	75,397	59,797	18,939	19,062
Deposits	3,266	6,212	467	639
	78,663	66,009	19,406	19,701
Prepayments	676	899	19	17
	79,339	66,908	19,425	19,718

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.

All the outstanding current non-trade balances with subsidiaries, associates and external parties and current loan owing by an associate 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 2023

15 CASH AND CASH EQUIVALENTS

	Note	Group		Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cash at bank and in hand		16,376	30,858	711	854
Fixed deposits		6,428	3,504	–	–
Cash and cash equivalents in the statements of financial position		22,804	34,362	711	854
Bank overdrafts	19	(4,547)	(2,396)		
Fixed deposits pledged		(1,504)	(600)		
Cash and cash equivalents in the consolidated statement of cash flow		16,753	31,366		

Fixed deposits amounting to \$1,504,000 (2022: \$600,000) 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, out of which \$866,000 (2022: \$Nil) is also secured by a charge over the Group's fixed deposit amounting to \$904,000 (2022: \$Nil).

16 ASSETS HELD FOR SALE

	Group	
	2023 \$'000	2022 \$'000
Assets held for sale		
Plant and machinery	755	–

The Group classified certain plant and machinery with carrying amounts of \$755,000 (2022: \$Nil) as held for sale and presented them separately in the consolidated statement of financial position during the year as the Group had an active marketing campaign to dispose of the plant and machinery within the next 12 months.

17 SHARE CAPITAL

	Group and Company			
	2023 No. of shares	2023 \$'000	2022 No. of shares	2022 \$'000
Issued and fully-paid ordinary shares with no par value:				
At 1 April and 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 2023

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.

During the financial year, the Company completed the buy-back of 10,162,000 (2022: 40,400,000) ordinary shares, representing 0.29% (2022: 1.15%) of the issued share capital on that date, under the terms of the Share Buyback Mandate dated 12 July 2022, approved by shareholders on 28 July 2022. The shares were bought back at an average market price, including incidental costs, of \$0.013 (2022: \$0.014) per share, for a consideration of \$128,000 (2022: \$567,000). This amount is classified as a reduction in equity under 'reserve for own shares'. As at reporting date, the Company held 71,082,000 (2022: 60,920,000) of its own uncanceled 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).

	Group	
	2023 \$'000	2022 \$'000 Restated
Loans and borrowings (excluding lease liabilities associated with right-of-use assets)	93,664	91,949
Total equity	124,355	150,758
Gearing ratio	75%	61%

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 2023

18 RESERVES

The reserves of the Group and the Company comprise the following balances:

	Group		Company	
	2023 \$'000	2022 \$'000 Restated	2023 \$'000	2022 \$'000
Capital reserve	17,798	17,798	17,798	17,798
Reserve for own shares	(3,049)	(2,921)	(3,049)	(2,921)
Reserve on consolidation	116	116	–	–
Foreign currency translation reserve	(6,511)	(6,713)	–	–
Revaluation reserve	2,675	2,249	–	–
Other reserve	(2,334)	(2,334)	–	–
Accumulated (losses)/profits	(3,732)	22,771	151	2,044
	<u>4,963</u>	<u>30,966</u>	<u>14,900</u>	<u>16,921</u>

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

YEAR ENDED 31 MARCH 2023

19 LOANS AND BORROWINGS

		Group		Company	
	Note	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Non-current liabilities					
Secured bank loans		5,191	6,401	–	–
Unsecured bank loans		4,449	7,500	900	1,655
Lease liabilities		49,923	16,392	36,634	14
		59,563	30,293	37,534	1,669
Current liabilities					
Bank overdrafts	15	4,547	2,396	–	–
Bills payable		28,498	21,744	–	–
Secured bank loans		2,218	1,581	–	–
Unsecured bank loans		26,671	25,954	755	740
Lease liabilities		15,196	13,054	1,687	111
		77,130	64,729	2,442	851

The loans and borrowings are guaranteed by the Company, out of which \$9,079,000 (2022: \$9,293,000) 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 \$15,550,000 (2022: \$15,844,000);
- (b) the Group's plant and equipment acquired under hire purchase arrangements (note 4) with a carrying amount of \$35,836,000 (2022: \$41,522,000);
- (c) the Group's inventories acquired under hire purchase arrangements (note 13) with a carrying amount of \$2,552,000 (2022: \$3,768,000); and
- (d) a charge over the Group's fixed deposits (note 15) amounting to \$1,504,000 (2022: \$600,000).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

19 LOANS AND BORROWINGS (CONT'D)

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

Group	Nominal interest rate %	Year of maturity	2023		2022	
			Face value \$'000	Carrying amount \$'000	Face value \$'000	Carrying amount \$'000
Secured floating rate bank loans	COF and SIBOR + 2.00 – 2.41	2024 – 2027	3,763	3,763	4,672	4,672
Secured fixed rate bank loans	2.00 – 5.50	2024 – 2027	3,545	3,646	3,290	3,310
Unsecured floating rate bank loan	HIBOR/COF + 3.00	2025	219	219	420	420
Unsecured fixed rate bank loans	2.00 – 7.09	2024 – 2027	30,579	30,901	32,889	33,034
Lease liabilities	1.33 – 5.00	2024 – 2039	76,433	65,119	31,182	29,446
Secured bank overdraft	FDR + 1.00	On demand	866	866	–	–
Unsecured bank overdrafts	PR and BLR + 1.25	On demand	3,681	3,681	2,396	2,396
Bills payable	COF and SWAP + 1.50 – 3.00, bank offer rate + 1.50 – 2.25	2024	28,498	28,498	21,744	21,744
			147,584	136,693	96,593	95,022
Company						
Secured fixed rate bank loan	2.00	2026	1,568	1,655	2,349	2,395
Lease liabilities	3.00 – 3.25	2026 – 2039	48,143	38,321	126	125
			49,711	39,976	2,475	2,520

BLR	:	Base Lending Rate
COF	:	Cost of Funds
FDR	:	Fixed Deposit Rate
HIBOR	:	Hong Kong Interbank Offered Rate
PR	:	Prime 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 2023

19 LOANS AND BORROWINGS (CONT'D)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities				Total \$'000
	Trade and other payables \$'000	Bank overdrafts \$'000	Other loans and borrowings \$'000	Lease liabilities \$'000	
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
Balance at 1 April 2022	94,601	2,396	63,180	29,446	189,623
Changes from financing cash flows					
Interest paid	(109)	(169)	(2,825)	(2,453)	(5,556)
Proceeds from:					
– bank loans	–	–	12,612	–	12,612
– bills payable	–	–	140,143	–	140,143
Repayment of:					
– bank loans	–	–	(15,350)	–	(15,350)
– bills payable	–	–	(133,297)	–	(133,297)
– lease liabilities	–	–	–	(16,254)	(16,254)
Total changes from financing cash flows	(109)	(169)	1,283	(18,707)	(17,702)
Effect of changes in foreign exchange rates	(5,947)	–	(261)	(81)	(6,289)
Other changes					
Liability-related					
Change in bank overdrafts	–	2,151	–	–	2,151
Change in trade and other payables	25,822	–	–	–	25,822
New leases	–	–	–	52,057	52,057
Termination of lease liabilities	–	–	–	(49)	(49)
Interest expense	232	169	2,825	2,453	5,679
Total liability-related other changes	26,054	2,320	2,825	54,461	85,660
Balance at 31 March 2023	114,599	4,547	67,027	65,119	251,292

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

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 2021 \$'000	Recognised in profit or loss (note 25) \$'000	Translation differences \$'000	At 31 March 2022 \$'000	Recognised in profit or loss (note 25) \$'000	Translation differences \$'000	At 31 March 2023 \$'000
Group							
Deferred tax assets							
Property, plant and equipment	(1,632)	168	–	(1,464)	475	–	(989)
Unutilised tax losses	(1,695)	946	–	(749)	(1,062)	*	(1,811)
Unutilised capital allowances	(695)	479	–	(216)	(46)	–	(262)
Provisions	–	(355)	–	(355)	78	9	(268)
Trade and other receivables	(101)	(102)	1	(202)	(4)	6	(200)
Others	(99)	(42)	1	(140)	(475)	12	(603)
Total	(4,222)	1,094	2	(3,126)	(1,034)	27	(4,133)
Deferred tax liabilities							
Property, plant and equipment	6,232	(832)	(5)	5,395	468	(38)	5,825

* Less than \$1,000

Deferred tax assets of the Company are attributable to the following:

	Company	
	2023 \$'000	2022 \$'000
Deferred tax assets		
Property, plant and equipment	3	*
Provisions	56	44
Trade and other receivables	343	535
	402	579

* 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		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Deferred tax assets	(37)	(29)	(402)	(579)
Deferred tax liabilities	1,729	2,298	–	–
	1,692	2,269	(402)	(579)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

21 TRADE AND OTHER PAYABLES

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Non-current liabilities				
Trade payables	10,875	6,389	–	–
Current liabilities				
Trade payables	75,939	62,916	114	7
Other payables	705	701	66	38
Accruals	23,852	21,034	1,135	1,177
Employee benefits	974	1,019	133	132
Amounts owing to:				
– subsidiaries (trade)	–	–	3,379	1,392
– subsidiaries (non-trade)	–	–	9,404	7,561
– an associate (trade)	563	–	563	–
– related corporations (trade)	725	430	–	–
– a related corporation (non-trade)	–	50	–	–
Financial liabilities at amortised cost	102,758	86,150	14,794	10,307
Deposits received	966	2,062	465	338
	103,724	88,212	15,259	10,645

All the outstanding non-trade balances with subsidiaries and a related corporation are unsecured, interest-free and repayable on demand.

The Group and the Company's exposures to currency and liquidity risks related to trade and other payables are disclosed in note 28.

22 PROVISIONS

	Onerous contracts \$'000	Rectification costs \$'000	Reinstatement costs \$'000	Total \$'000
Group				
2023				
At 1 April	800	5,072	–	5,872
Provisions made	–	1,339	60	1,399
Provisions utilised	(631)	(2,220)	–	(2,851)
At 31 March	169	4,191	60	4,420
Non-current	–	–	60	60
Current	169	4,191	–	4,360
	169	4,191	60	4,420
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
Current	800	5,072	–	5,872

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

22 PROVISIONS (CONT'D)

	Reinstatement costs \$'000
Company	
2023	
At 1 April	–
Provisions made	60
At 31 March	60
Non-current	60

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 \$169,000 as at 31 March 2023 (2022: \$800,000).

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.

Reinstatement costs

The Group recognised the estimated costs to be incurred in respect of the obligation to dismantle, remove and restore the leased office premise to its original state.

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

23 REVENUE

	Group	
	2023	2022
	\$'000	\$'000
Revenue from contracts with customers	251,923	258,457
Rental income	12,676	10,283
	<u>264,599</u>	<u>268,740</u>

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

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	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Geographical regions						
Singapore	161,568	197,056	20,769	25,774	182,337	222,830
Malaysia	42,716	20,903	271	159	42,987	21,062
Thailand	–	–	485	2,325	485	2,325
India	–	–	24,458	10,395	24,458	10,395
Philippines	–	–	1,021	904	1,021	904
Hong Kong	–	–	251	431	251	431
China	–	–	341	509	341	509
Other regions	–	–	43	1	43	1
	204,284	217,959	47,639	40,498	251,923	258,457
Major revenue streams						
Construction contracts	203,920	217,489	–	–	203,920	217,489
Trading of plant and equipment	364	470	47,639	40,498	48,003	40,968
	204,284	217,959	47,639	40,498	251,923	258,457
Timing of revenue recognition						
Products transferred at a point in time	364	470	47,405	39,920	47,769	40,390
Products and services transferred over time	203,920	217,489	234	578	204,154	218,067
	204,284	217,959	47,639	40,498	251,923	258,457

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 2023

23 REVENUE (CONT'D)

Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

	2023 \$'000	2022 \$'000
Trade receivables (excluding trade receivables arising from rental income, which are included in 'Trade and other receivables')	67,968	50,458
Contract assets	72,064	77,568
Impairment losses	(4,725)	(4,745)
	67,339	72,823
Contract liabilities	(480)	(299)

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:

	2023		2022	
	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	–	44	–	496
Increases due to cash received, excluding amounts recognised as revenue during the year	–	(225)	–	(221)
Contract assets reclassified to trade receivables	(209,367)	–	(205,177)	–
Changes in measurement of progress	203,876	–	216,993	–
Impairment loss reversed/(recognised) on contract assets	7	–	(1,157)	–

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

23 REVENUE (CONT'D)

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 \$122,299,000 (2022: \$49,070,000). The Group expects that 43% (2022: 65%) 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 2025.

Variable consideration that is constrained and therefore not included in the transaction price is excluded in the amounts presented above.

24 FINANCE INCOME AND EXPENSES

	Group	
	2023	2022
	\$'000	\$'000
Interest income under effective interest method on:		
– cash and cash equivalents	74	29
– shareholder's loans to associates	–	12
– amount and loan owing by THAB – other investment	71	55
– others	51	39
Imputed interest on non-current trade and other receivables and contract assets	918	1,753
Finance income	1,114	1,888
Interest expense:		
– bank loans	(1,617)	(1,112)
– bank overdrafts	(169)	(222)
– bills payable	(1,208)	(491)
– lease liabilities	(2,453)	(1,141)
– others	(2)	(14)
Imputed interest on non-current trade and other payables	(230)	(169)
Finance expenses	(5,679)	(3,149)
Net finance expenses recognised in profit or loss	(4,565)	(1,261)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

25 TAX (CREDIT)/EXPENSE

	Note	Group 2023 \$'000	Group 2022 \$'000 Restated
Current tax expense			
Current year		386	619
Over provided in prior years		(104)	(265)
		<u>282</u>	<u>354</u>
Deferred tax (credit)/expense			
Origination and reversal of temporary differences		(275)	(85)
(Over)/under provided in prior years		(291)	347
	20	<u>(566)</u>	<u>262</u>
Total tax (credit)/expense		<u>(284)</u>	<u>616</u>
Reconciliation of effective tax rate			
(Loss)/Profit for the year		(27,104)	5,844
Tax (credit)/expense		(284)	616
Share of loss/(profit) of associates (net of tax)		84	(5,122)
(Loss)/Profit before share of results of associates and tax credit/expense		<u>(27,304)</u>	<u>1,338</u>
Tax using Singapore tax rate at 17% (2022: 17%)		(4,642)	227
Effect of tax rates in foreign jurisdictions		5	5
Tax exempt income		(80)	(349)
Tax incentives		(14)	(50)
Non-deductible expenses		913	619
Tax losses and deductible temporary differences for which deferred tax assets were not recognised		4,168	1,883
Utilisation of previously unrecognised deferred tax assets		(239)	(501)
Recognition of previously unrecognised deferred tax assets		–	(1,300)
(Over)/under provided in prior years		<u>(395)</u>	<u>82</u>
		<u>(284)</u>	<u>616</u>

Deferred tax assets have not been recognised in respect of the following items:

	Group 2023 \$'000	Group 2022 \$'000
Tax losses arising from operations in:		
– Singapore	64,334	54,470
– Others	23,545	17,769
	<u>87,879</u>	<u>72,239</u>
Deductible temporary differences		
– Singapore	81,990	73,249
– Others	7,523	8,794
	<u>89,513</u>	<u>82,043</u>

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 2023

26 (LOSS)/PROFIT FOR THE YEAR

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

	Group	
	2023 \$'000	2022 \$'000
Audit fees paid or payable to:		
– auditors of the Company	(430)	(431)
– other auditors	(23)	(23)
Bad debts written off	(21)	(21)
Depreciation of property, plant and equipment included in:		
– cost of sales	(19,309)	(19,348)
– administrative expenses	(1,157)	(551)
Depreciation of right-of-use assets included in:		
– cost of sales	(2,224)	(3,010)
– administrative expenses	(2,996)	(1,726)
Directors' remuneration (excluding directors' fees)	(740)	(776)
Directors' fees	(420)	(374)
Foreign exchange loss	(1,938)	(1,088)
Gain on disposal of property, plant and equipment	964	993
Gain on termination of lease liabilities	14	2
Government grants deducted from:		
– cost of sales	711	2,951
– administrative expenses	129	927
Impairment losses recognised/(reversed) on:		
– property, plant and equipment	100	(268)
– trade and other receivables and contract assets	(328)	(986)
Inventories written down	(127)	(38)
Inventories written off	(8)	(1)
Non-audit fees paid or payable to:		
– auditors of the Company	(87)	(89)
– other auditors	(77)	(25)
Property, plant and equipment written off	(6)	(63)
Salaries, bonus and other costs	(52,344)	(52,694)
Contributions to defined contribution plans	(2,679)	(2,810)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

27 (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic loss per share at 31 March 2023 was based on the loss attributable to ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding of 3,520,447,008 (2022: 3,557,402,149), calculated as follows:

	Group	
	2023 \$'000	2022 \$'000 Restated
(Loss)/Profit attributable to ordinary shareholders	(26,681)	5,859
	No. of shares	No. of shares
Weighted average number of:		
Issued ordinary shares at beginning of the year	3,588,348,176	3,588,348,176
Ordinary shares held as treasury shares	(67,901,168)	(30,946,027)
Weighted average number of shares used to compute (loss)/earnings per share	3,520,447,008	3,557,402,149

(b) Diluted (loss)/earnings per share

The diluted (loss)/earnings per share as at 31 March 2023 and 31 March 2022 were the same as the basic (loss)/earnings 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 2023

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 (reversed)/recognised in profit or loss were as follows:

	2023 \$'000	2022 \$'000
Group		
Trade receivables and contract assets arising from contracts with customers	(404)	511
Trade receivables arising from rental income	732	509
Loans owing by:		
– associates	–	(3)
– THAB – other investment	–	(23)
Amounts owing by:		
– associates (non-trade)	–	(34)
– THAB – other investment (non-trade)	–	29
– related corporations (trade)	–	(3)
	<u>328</u>	<u>986</u>
Company		
Amounts owing by:		
– subsidiaries (trade)	407	23
– subsidiaries (non-trade)	(45)	1,214
	<u>362</u>	<u>1,237</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Singapore	109,729	113,636	18,175	23,479
Malaysia	29,546	21,132	10,453	9,222
Thailand	1,013	1,284	*	*
India	16,390	8,362	—	—
Vietnam	241	178	—	—
Hong Kong	707	601	—	—
Philippines	938	529	—	—
Others	57	71	—	—
	158,621	145,793	28,628	32,701

* 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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Foundation and geotechnical engineering	114,769	112,408	15,334	15,922
Trading and lease of equipment	37,971	27,505	18	6
Others	5,881	5,880	13,276	16,773
	158,621	145,793	28,628	32,701

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

28 FINANCIAL INSTRUMENTS (CONT'D)

Credit risk (cont'd)

Trade and other receivables and contract assets (cont'd)

Exposure to credit risk (cont'd)

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 \$27,925,000 (2022: \$32,056,000).

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 2023						
Group						
Grade AA	–	969	–	969	–	969
Grade A	0.53	43,955	176	44,131	(233)	43,898
Grade B	0.33	46,854	56	46,910	(156)	46,754
Grade C	5.15	54,739	3,013	57,752	(2,973)	54,779
Grade D	39.37	11,912	8,244	20,156	(7,935)	12,221
Total gross carrying amount		158,429	11,489	169,918	(11,297)	158,621
Loss allowance		(457)	(10,840)			
		157,972	649			
Company						
Grade AA	–	27	–	27	–	27
Grade A	–	1,199	–	1,199	–	1,199
Grade B	–	465	–	465	–	465
Grade C	0.39	3,369	–	3,369	(13)	3,356
Grade D	27.61	15,585	16,990	32,575	(8,994)	23,581
Total gross carrying amount		20,645	16,990	37,635	(9,007)	28,628
Loss allowance		(1,536)	(7,471)			
		19,109	9,519			

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

28 FINANCIAL INSTRUMENTS (CONT'D)

Credit risk (cont'd)

Trade and other receivables and contract assets (cont'd)

Expected credit loss assessment for counterparties (cont'd)

	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			

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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Balance at 1 April	12,003	12,324	8,645	7,408
Impairment loss recognised	328	986	362	1,237
Impairment losses utilised	(790)	(1,226)	–	–
Effect of movements in exchange rates	(244)	(81)	–	–
Balance at 31 March	11,297	12,003	9,007	8,645

Trade and other receivables (excluding prepayments) and contract assets with contractual amounts of \$790,000 written off during 2023 (2022: \$1,226,000) 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:

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

28 FINANCIAL INSTRUMENTS (CONT'D)

Credit risk (cont'd)

Trade and other receivables and contract assets (cont'd)

Group

- Increase in the Group's credit-impaired balance of \$1,617,000 (2022: \$1,470,000) 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 \$955,000 (2022: \$1,635,000);
- Decrease in impairment allowance of \$643,000 (2022: \$1,145,000) relates to amounts recovered from customers with previously credit-impaired balances of \$643,000 (2022: \$1,145,000);
- Increase in the Group's credit-impairment balance of \$18,000 (2022: \$99,000) 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 \$18,000 (2022: \$99,000); and
- Change in expected loss rates for each credit risk grade of the Group's debtors resulted in a decrease in the Group's impairment allowance of \$2,000 (2022: an increase of \$397,000).

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 \$362,000 (2022: \$1,237,000).

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

28 FINANCIAL INSTRUMENTS (CONT'D)

Credit risk (cont'd)

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, trade receivables and lease receivables totalling \$145,049,000 (2022: \$129,019,000). The liquidity of the Group is primarily dependent on the timely settlement of contract assets, trade receivables and lease 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 \$123,896,000 (2022: \$124,992,000) that can be drawn down to meet short term financing needs. As at reporting date, \$74,654,000 (2022: \$64,271,000) 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.

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:

	Carrying amount \$'000	Cash flows			
		Contractual cash flows \$'000	Within 1 year \$'000	Within 2 to 5 years \$'000	More than 5 years \$'000
Group					
2023					
Non-derivative financial liabilities					
Secured bank loans	7,409	(8,184)	(2,515)	(5,669)	–
Unsecured bank loans	31,120	(31,693)	(27,151)	(4,542)	–
Lease liabilities	65,119	(76,433)	(17,233)	(25,269)	(33,931)
Bank overdrafts	4,547	(4,795)	(4,795)	–	–
Bills payable	28,498	(28,957)	(28,957)	–	–
Trade and other payables#	113,633	(113,633)	(102,758)	(10,875)	–
Recognised financial liabilities	250,326	(263,695)	(183,409)	(46,355)	(33,931)

[#] Excludes deposits received

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

28 FINANCIAL INSTRUMENTS (CONT'D)

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

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)	(86,150)	(6,389)	–
Recognised financial liabilities	187,561	(190,786)	(152,653)	(37,553)	(580)

Company

2023

Non-derivative financial liabilities

Unsecured bank loan	1,655	(1,692)	(781)	(911)	–
Lease liabilities	38,321	(48,143)	(2,814)	(11,821)	(33,508)
Trade and other payables [#]	14,794	(14,794)	(14,794)	–	–
Intra-group financial guarantee	–	(143,886)	(143,886)	–	–
Recognised financial liabilities	54,770	(208,515)	(162,275)	(12,732)	(33,508)

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)	–

[#] Excludes deposits received

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

28 FINANCIAL INSTRUMENTS (CONT'D)

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

Managing interest rate benchmark reform and associate risks

Overview

A fundamental 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 SIBOR on its financial instruments that will be replaced or reformed as part of these market-wide initiatives. 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 identified the Singapore Overnight Rate Average ('SORA') as the alternative interest rate benchmark to replace SIBOR and SOR in Singapore. The timeline for SORA to replace SOR and SIBOR is by the end of June 2023 and December 2024 respectively.

Non-derivative financial liabilities

The Group's IBOR exposures to non-derivative financial liabilities as at 31 March 2023 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.

Total amounts of unreformed contracts, including those with an appropriate fallback clause

The Group monitors the progress of transition from IBORs to new benchmark rates by reviewing the total amounts of contracts that have yet to transition to an alternative benchmark rate and the amounts of such contracts that include an appropriate fallback clause. The Group considers that a contract is not yet transitioned to an alternative benchmark rate when interest under the contract is indexed to a benchmark rate that is still subject to interest rate benchmark reform, even if it includes a fallback clause that deals with the cessation of the existing IBOR (referred to as an 'unreformed contract').

The following table shows the total amounts of unreformed contracts and those with appropriate fallback language at 31 March 2023. The amounts of financial liabilities are shown at their carrying amounts.

	SIBOR		HIBOR	
	Total amount of unreformed contracts \$'000	Amount with appropriate fallback clause \$'000	Total amount of unreformed contracts \$'000	Amount with appropriate fallback clause \$'000

Group 31 March 2023

Financial liabilities

Secured floating rate bank loan	3,632	3,632	–	–
Unsecured floating rate bank loan	–	–	219	219

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

28 FINANCIAL INSTRUMENTS (CONT'D)

Market risk (cont'd)

Interest rate risk (cont'd)

Exposure to interest rate risk

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 rate. The Group does not use derivative financial instruments to hedge its 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	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Fixed rate instruments				
Financial assets	6,428	3,504	–	–
Financial liabilities	(99,666)	(65,790)	(39,976)	(2,520)
	(93,238)	(62,286)	(39,976)	(2,520)
Variable rate instruments				
Financial assets	2,433	2,526	–	–
Financial liabilities	(37,027)	(29,232)	–	–
	(34,594)	(26,706)	–	–

Fair value sensitivity analysis for fixed rate instruments

The 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.

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 2022.

	Group	
	2023	2022
	\$'000	\$'000
Variable rate financial instruments	(173)	(134)

There is no impact on other comprehensive income and equity.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

28 FINANCIAL INSTRUMENTS (CONT'D)

Market risk (cont'd)

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, Malaysian Ringgit and Japanese Yen. 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	Japanese Yen \$'000
Group						
2023						
Trade and other receivables	126	1,782	5,035	–	942	–
Cash and cash equivalents	100	316	589	1	3	101
Loans and borrowings	(387)	(372)	–	–	–	–
Trade and other payables	(108)	(1,788)	(17,794)	(4)	–	–
Net exposure	(269)	(62)	(12,170)	(3)	945	101
2022						
Trade and other receivables	247	406	9,354	367	1,008	–
Cash and cash equivalents	1,111	902	942	3,211	3	1
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	1

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 decrease/(increase) loss before tax (2022: increase/(decrease) profit before tax) 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 2022.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

28 FINANCIAL INSTRUMENTS (CONT'D)

Market risk (cont'd)

Currency risk (cont'd)

Exposure to currency risk (cont'd)

	Loss 2023 \$'000	Profit 2022 \$'000
Group		
Euro	(27)	(6)
US Dollar	(6)	(71)
Chinese Renminbi	(1,217)	(719)
British Pound	*	354
Malaysian Ringgit	95	101
Japanese Yen	10	*

* Less than \$1,000

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 2023 and 31 March 2022.

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.

	Note	Carrying amount				Fair value			
		Amortised cost \$'000	FVOCI – equity instruments \$'000	Other financial liabilities \$'000	Total carrying amount \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Group									
31 March 2023									
Financial assets not measured at fair value									
Trade and other receivables [#]	14	91,282	–	–	91,282	–	91,282	–	91,282
Cash and cash equivalents	15	22,804	–	–	22,804				
		<u>114,086</u>	<u>–</u>	<u>–</u>	<u>114,086</u>				
Financial liabilities not measured at fair value									
Bank overdrafts	19	–	–	(4,547)	(4,547)				
Bills payable	19	–	–	(28,498)	(28,498)				
Secured bank loans	19	–	–	(7,409)	(7,409)	–	(7,437)	–	(7,437)
Unsecured bank loans	19	–	–	(31,120)	(31,120)	–	(31,181)	–	(31,181)
Trade and other payables [*]	21	–	–	(113,633)	(113,633)	–	(113,633)	–	(113,633)
		<u>–</u>	<u>–</u>	<u>(185,207)</u>	<u>(185,207)</u>				

[#] Excludes prepayments

^{*} Excludes deposits received

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

28 FINANCIAL INSTRUMENTS (CONT'D)

Market risk (cont'd)

Fair values versus carrying amounts (cont'd)

	Note	Carrying amount				Fair value			
		Amortised cost \$'000	FVOCI – equity instruments \$'000	Other financial liabilities \$'000	Total carrying amount \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000

Group

31 March 2022

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				
		<u>107,332</u>	<u>–</u>	<u>–</u>	<u>107,332</u>				

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)
		<u>–</u>	<u>–</u>	<u>(158,115)</u>	<u>(158,115)</u>				

[#] Excludes prepayments

^{*} Excludes deposits received

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

28 FINANCIAL INSTRUMENTS (CONT'D)

Market risk (cont'd)

Fair values versus carrying amounts (cont'd)

	Note	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

31 March 2023

Financial assets not measured at fair value

Trade and other receivables [#]	14	28,628	–	28,628	–	28,628	–	28,628
Cash and cash equivalents	15	711	–	711				
		<u>29,339</u>	<u>–</u>	<u>29,339</u>				

Financial liabilities not measured at fair value

Unsecured bank loan	19	–	(1,655)	(1,655)	–	(1,670)	–	(1,670)
Trade and other payables [*]	21	–	(14,794)	(14,794)				
		<u>–</u>	<u>(16,449)</u>	<u>(16,449)</u>				

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				
		<u>33,555</u>	<u>–</u>	<u>33,555</u>				

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)				
		<u>–</u>	<u>(12,702)</u>	<u>(12,702)</u>				

[#] Excludes prepayments

^{*} Excludes deposits received

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

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:

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 31 March plus an adequate credit spread, and are as follows:

	Group	
	2023	2022
	%	%
Non-current trade and other receivables and non-current contract assets	3.00	3.00
Non-current trade and other payables	1.84 – 2.50	2.08 – 3.30

Transfers between Levels 1, 2 and 3

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

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:

	2023	2022
	\$'000	\$'000
Capital commitment in respect of:		
– acquisition of property, plant and equipment	255	4,502

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

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	
	2023	2022
	\$'000	\$'000
Short-term employee benefits	6,303	6,495
Post-employment benefits (including CPF)	290	313
	<u>6,593</u>	<u>6,808</u>

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	
	2023	2022
	\$'000	\$'000
Professional fees	<u>30</u>	<u>30</u>

Other related party transactions

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

	Group	
	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	72
Revenue from trading of plant and equipment	176	–
Revenue from rental and service income	245	196
Expenses related to short-term leases	(707)	(1,311)
Purchase of plant and equipment	(330)	(258)
Upkeep of machinery and equipment expenses	<u>(69)</u>	<u>(38)</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

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:

<i>Foundation and geotechnical engineering:</i>	Includes civil engineering, piling, foundation and geotechnical engineering, soil investigation, land surveying and other related services
---	--

<i>Sales and lease of equipment:</i>	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 2023 or 2022.

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 2023

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	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from contracts with customers	204,284	217,959	47,639	40,498	251,923	258,457
Rental income	2	7	12,674	10,276	12,676	10,283
External revenue	204,286	217,966	60,313	50,774	264,599	268,740
Inter-segment revenue	18,949	14,064	5,203	7,352	24,152	21,416
Finance income	930	1,586	184	290	1,114	1,876
Finance expenses	(2,586)	(1,957)	(1,691)	(1,015)	(4,277)	(2,972)
Reportable segment (loss)/profit before tax	(23,279)	1,103	(2,989)	(832)	(26,268)	271
Reportable segment assets	192,841	197,862	125,362	119,459	318,203	317,321
Capital expenditure	10,093	11,994	4,421	5,977	14,514	17,971
Reportable segment liabilities	132,385	116,959	77,423	70,354	209,808	187,313
Other material items						
Depreciation of property, plant and equipment	(14,059)	(14,764)	(5,814)	(4,583)	(19,873)	(19,347)
Depreciation of right- of-use assets	(2,234)	(3,782)	(478)	(954)	(2,712)	(4,736)
Impairment losses reversed/(recognised) on:						
– property, plant and equipment	–	–	100	(268)	100	(268)
– trade and other receivables and contract assets	314	(571)	(642)	(451)	(328)	(1,022)
Gain on disposal of property, plant and equipment	504	445	460	548	964	993
Inventories written down	–	–	(127)	(38)	(127)	(38)
Inventories written off	–	–	(8)	(1)	(8)	(1)
Provision for onerous contracts	–	(157)	–	–	–	(157)
Provision for rectification costs	(1,339)	(32)	–	–	(1,339)	(32)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

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:

	2023 \$'000	2022 \$'000 Restated
Finance income		
Total finance income for reportable segments	1,114	1,876
Finance income for other segments	*	12
	<u>1,114</u>	<u>1,888</u>
Finance expenses		
Total finance expenses for reportable segments	(4,277)	(2,972)
Finance expenses for other segments	(1,402)	(177)
	<u>(5,679)</u>	<u>(3,149)</u>
Profit or loss before tax		
Total (loss)/profit before tax for reportable segments	(26,268)	271
Loss before tax for other segments	(548)	(82)
	<u>(26,816)</u>	<u>189</u>
Elimination of inter-segment transactions	9,258	6,594
Unallocated amount:		
– other corporate expenses	(9,746)	(5,445)
Share of (loss)/profit of associates	(84)	5,122
Consolidated (loss)/profit before tax	<u>(27,388)</u>	<u>6,460</u>
Depreciation of property, plant and equipment		
Total depreciation expenses for reportable segments	(19,873)	(19,347)
Depreciation expenses for other segments	(593)	(552)
	<u>(20,466)</u>	<u>(19,899)</u>
Depreciation of right-of-use assets		
Total depreciation expenses for reportable segments	(2,712)	(4,736)
Depreciation expenses for other segments	(2,508)	–
	<u>(5,220)</u>	<u>(4,736)</u>
Impairment losses recognised on trade and other receivables and contract assets		
Total impairment losses for reportable segments	(328)	(1,022)
Impairment losses reversed for other segments	–	36
	<u>(328)</u>	<u>(986)</u>
Assets		
Total assets for reportable segments	318,203	317,321
Assets for other segments	17,736	21,611
	<u>335,939</u>	<u>338,932</u>
Investments in associates	8,175	8,278
Deferred tax assets	37	29
Tax recoverable	416	420
Other unallocated amounts	38,053	1,636
Consolidated total assets	<u>382,620</u>	<u>349,295</u>

* Less than \$1,000

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

31 SEGMENT REPORTING (CONT'D)

(a) Business segments (cont'd)

Information about reportable segments (cont'd)

	2023 \$'000	2022 \$'000
Liabilities		
Total liabilities for reportable segments	209,808	187,313
Liabilities for other segments	3,872	4,269
	213,680	191,582
Deferred tax liabilities	1,729	2,298
Current tax payable	344	445
Other unallocated amounts	42,512	4,212
Consolidated total liabilities	258,265	198,537

There are no reconciling items with respect to the other items.

(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.

	2023		2022	
	Revenue from external customers \$'000	Non-current assets \$'000	Revenue from external customers \$'000	Non-current assets \$'000 Restated
Singapore	191,263	150,420	229,508	113,623
Malaysia	43,617	10,890	21,652	13,252
Thailand	1,364	7,031	3,388	7,689
India	24,705	359	10,417	268
Other regions	3,650	6,092	3,775	5,777
Consolidated	264,599	174,792	268,740	140,609

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

32 NEW STANDARDS AND INTERPRETATIONS NOT ADOPTED

A number of new standards and amendments to standards are effective for annual periods beginning after 1 April 2022 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these financial statements.

(i) **Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction***

The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning liabilities. The amendments apply for annual reporting periods beginning on or after 1 January 2023. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.

The Group accounts for deferred tax on leases and decommissioning liabilities applying the ‘integrally linked’ approach, resulting in a similar outcome to the amendments, except that the deferred tax asset or liability is recognised on a net basis. Under the amendments, the Group will recognise a separate deferred tax asset and a deferred tax liability. As at 31 March 2023, the taxable temporary difference in relation to the right-of-use asset is \$41,227,000 (note 5) and the deductible temporary difference in relation to the lease liability is \$43,029,000, resulting in a net deferred tax asset of \$307,000. Under the amendments, the Group will recognise a separate deferred tax liability of \$7,031,000 and a deferred tax asset of \$7,338,000. There will be no impact on accumulated losses.

(ii) **Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-Current***

The amendments, as issued in 2020, aim to clarify the requirements on determining whether a liability is current or non-current, and apply for annual reporting periods beginning on or after 1 January 2023. However, the IASB has subsequently proposed further amendments to IAS 1 and the deferral of the effective date of the 2020 amendments to no earlier than 1 January 2024. Due to these ongoing developments, the Group is unable to determine the impact of these amendments on the consolidated financial statements in the period of initial application. The Group is closely monitoring the developments.

(iii) **Others**

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*
- Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to SFRS(I) 1- 8: *Definition of Accounting Estimates*

SHAREHOLDINGS STATISTICS

AS AT 13 JUNE 2023

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\$90,221,922.32
Number of issued shares (including treasury shares)	: 3,588,348,176
Number of issued shares (excluding treasury shares)	: 3,516,766,176
Number/percentage of treasury shares	: 71,582,000 (2.04%)
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 13 June 2023, 42.34% 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	62	0.71	2,121	0.00
100 – 1,000	202	2.30	157,437	0.01
1,001 – 10,000	2,645	30.13	19,514,044	0.54
10,001 – 1,000,000	5,697	64.91	499,153,975	13.91
1,000,001 and above	171	1.95	3,069,520,599	85.54
	8,777	100.00	3,588,348,176	100.00

TOP 20 SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	% *
1	Citibank Nominees Singapore Pte Ltd	959,295,888	27.28
2	Phillip Securities Pte Ltd	576,660,242	16.40
3	Khoo Yok Kee or Chiu Hong Keong	309,213,500	8.79
4	DB Nominees (S) Pte Ltd	226,129,896	6.43
5	UOB Kay Hian Pte Ltd	60,998,300	1.73
6	DBS Nominees Pte Ltd	56,359,099	1.60
7	CGS-CIMB Securities (Singapore) Pte Ltd	51,618,933	1.47
8	Ong Kian Kok	42,000,000	1.19
9	Suey Hueh King	29,382,500	0.84
10	Lin Jian Qun	25,000,000	0.71
11	Goh Guan Siong (Wu Yuanxiang)	22,837,600	0.65
12	Poh Chee Kuan or Luo Taohong	19,910,998	0.57
13	Raffles Nominees (Pte) Limited	18,429,050	0.52
14	Ong Tiew Siam	18,000,000	0.51
15	Tan Su Lan @ Tan Soo Lung	16,793,900	0.48
16	Wa Kok Liang	16,024,400	0.46
17	Tengku Sinannaga @ Cheng Min Siong @ Zeng Ming Xiong	16,000,000	0.45
18	United Overseas Bank Nominees Pte Ltd	15,060,728	0.43
19	Tan Eng Chua Edwin	14,117,800	0.40
20	Estate of Tan Ee Ping, Deceased	13,700,998	0.39
		2,507,533,832	71.30

* The percentage of shareholdings was computed based on the issued share capital of the Company as at 13 June 2023 of 3,516,766,176 (which excludes 71,582,000 shares which are held as treasury shares representing approximately 2.04% of the total number of issued shares excluding treasury shares).

SHAREHOLDINGS STATISTICS

AS AT 13 JUNE 2023

SUBSTANTIAL SHAREHOLDERS AS AT 13 JUNE 2023

Substantial Shareholders	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
TH Investments Pte Ltd ⁽²⁾	–	–	1,092,727,509	31.07
Tat Hong Investments Pte Ltd ⁽²⁾	–	–	1,092,727,509	31.07
Chwee Cheng & Sons Pte Ltd ⁽²⁾	–	–	1,092,727,509	31.07
Ng Sun Ho Tony ⁽²⁾	–	–	1,092,727,509	31.07
Ng San Wee David ⁽²⁾	–	–	1,092,727,509	31.07
Ng Sun Giam Roger ⁽²⁾	–	–	1,092,727,509	31.07
Ng San Tiong Roland ⁽²⁾⁽³⁾	–	–	1,116,648,503	31.75
Ng Chwee Cheng Corporation ⁽⁴⁾	314,542,494	8.94	–	–
BOS Trustee Limited ⁽⁴⁾	–	–	314,542,494	8.94
Bank of Singapore Limited ⁽⁴⁾	–	–	314,542,494	8.94
Oversea-Chinese Banking Corporation Limited ⁽⁴⁾	–	–	314,542,494	8.94
Ng Chwee Cheng ⁽⁴⁾⁽⁵⁾	3,760,000	0.11	318,442,494	9.05
Dr Chiu Hong Keong or Mdm Khoo Yok Kee ⁽⁶⁾	519,093,400	14.76	319,100	0.01

Notes:

- (1) The percentage of shareholdings was computed based on the issued share capital of the Company as at 13 June 2023 of 3,516,766,176 (which excludes 71,582,000 shares which are held as treasury shares representing approximately 2.04% 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 at 2 Tanjong Penjuru Crescent, #06-02, Singapore 608968 on Thursday, 27 July 2023 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 2023 together with the Auditors' Report thereon. **(Resolution 1)**
2. To re-elect Mr Tan Hup Foi @ Tan Hup Hoi, retiring by rotation pursuant to Regulation 104 of the Constitution of the Company.
[See Explanatory Note (i)] **(Resolution 2)**
3. To re-elect Dr Leong Horn Kee, retiring by rotation pursuant to Regulation 104 of the Constitution of the Company.
[See Explanatory Note (ii)] **(Resolution 3)**
4. To approve the payment of Directors' fees of up to S\$420,000 for the financial year ending 31 March 2024, to be paid quarterly in arrears (FY2023: up to S\$420,000).
[See Explanatory Note (iii)] **(Resolution 4)**
5. To re-appoint KPMG LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 5)**
6. 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:

7. 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 the 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 the 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 (iv)]

(Resolution 6)

8. 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 issued 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") transacted on the SGX-ST 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

- (iii) 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 may 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 Companies Act, 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 to be adjusted for any corporate action that occurs during the relevant five (5) Market Days period and the day on which the purchases are made or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase;

"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;

- (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 and/or he may think fit, which is permitted under the Companies Act and the Listing Manual of the SGX-ST; and

NOTICE OF ANNUAL GENERAL MEETING

- (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 expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution."

[See Explanatory Note (v)]

(Resolution 7)

By Order of the Board

Hazel Chia Luang Chew
Juliana Tan Beng Hwee
Company Secretaries

Singapore
12 July 2023

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES:

- (i) Ordinary Resolution 2 is to re-elect Mr Tan Hup Foi @ Tan Hup Hoi ("Mr Tan"), an Independent Non-Executive Director of the Company. Mr Tan will, upon re-election as a Director of the Company, remain as Chairman of the Nominating Committee, Chairman of the Remuneration Committee and a member of the Audit Committee. There are no relationships (including immediate family relationships) between Mr Tan and the other Directors, the substantial shareholders of the Company or the Company. The board of directors ("Board") of the Company considers Mr Tan to be independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST until the conclusion of the Company's next AGM to be held in July 2024, in view of the removal of the two-tier vote mechanism for listed companies to retain long-serving Independent Directors who have served for more than nine (9) years as announced by the Singapore Exchange Regulation on 11 January 2023.
- (ii) Ordinary Resolution 3 is to re-elect Dr Leong Horn Kee ("Dr Leong"), an Independent Non-Executive Director of the Company. Dr Leong will, upon re-election as a Director of the Company, remain as Chairman of the Board and a member of the Audit Committee, Remuneration Committee and Nominating Committee. There are no relationships (including immediate family relationships) between Dr Leong and the other Directors, the substantial shareholders of the Company or the Company. The Board of the Company considers Dr Leong to be independent for the purposes of Rule 210(5)(d) and Rule 704(8) of the Listing Manual of the SGX-ST.

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 2023.

- (iii) Ordinary Resolution 4, 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 2024 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.
- (iv) Ordinary Resolution 6, 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.
- (v) Ordinary Resolution 7, 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 2023 ("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

NOTES:

1. The AGM is being convened, and will be held physically at 2 Tanjong Penjuru Crescent, #06-02, Singapore 608968 on Thursday, 27 July 2023 at 10:00 am. **There will be no option for shareholders to participate virtually.**
2. Each of the resolutions to be put to vote at the AGM (and at any adjournment thereof) shall be decided by way of a poll.

Appointment of Proxy(ies)

3. (a) A member of the Company ("Member" or "Shareholder") who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM.
 - (b) A Member who is a *relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Member.
- * "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.
- (c) A Member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory. A proxy need not be a Member. The Chairman of the Meeting, as proxy, need not be a Member.
 - (d) An instrument appointing a proxy or proxies ("Proxy Form") must be executed under the hand of the appointor or of his/her/its attorney duly authorised in writing. If the appointor is a corporation, the Proxy Form must be executed either under its seal or under the hand of its duly authorised officer or attorney.
 - (e) The Proxy Form is not valid for use by investors holding shares through relevant intermediaries (including investors holding shares through the Central Provident Fund ("CPF") or Supplementary Retirement Scheme ("SRS") (collectively, the "CPF/SRS Investors") and shall be ineffective for all intents and purposes if used or purported to be used by them.

CPF/SRS Investors should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies. CPF/SRS Investors who wish to appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **5:00 pm on 17 July 2023**, being at least seven (7) working days before the date of the AGM.

Investors holding shares through relevant intermediaries (other than CPF/SRS Investors) who wish to vote at the AGM should approach their relevant intermediaries as soon as possible to submit their votes.

4. The Proxy Form, duly completed and signed, must be submitted to the Company no later than **10:00 am on 24 July 2023**, being not less than 72 hours before the time appointed for holding the AGM, in the following manner:
 - (a) if submitted personally or by post, be lodged with the Share Registrar of the Company, M&C Services Private Limited, at 112 Robinson Road, #05-01 Singapore 068902; or
 - (b) if submitted electronically, a scanned PDF copy be sent via email to the Share Registrar of the Company at gpb@mncsingapore.com,

failing which the Proxy Form may be treated as invalid.

NOTICE OF ANNUAL GENERAL MEETING

5. Completion and submission of the Proxy Form by a Member will not preclude him/her from attending, speaking and voting at the AGM if he/she subsequently wishes to do so, and at any adjournment thereof. The relevant Proxy Form submitted by the Member shall be deemed to be revoked and in such an event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant Proxy Form to the AGM.

Submission of Questions prior to the AGM by Members (including investors holding shares through relevant intermediaries and CPF/SRS Investors)

6. Members (including investors holding shares through relevant intermediaries and CPF/SRS Investors) who have any questions in relation to the items of the agenda of the AGM may raise their questions at the Meeting or submit questions in advance, by **10:00 am on 19 July 2023** ("Cut-Off Time"), via any one of the following means:
 - (a) by depositing a physical copy at the registered office of the Company, at 2 Tanjong Penjuru Crescent, #06-02, Singapore 608968; or
 - (b) via email to the Company at corp@cschl.com.sg.
7. When sending in their questions by post (physical copy) or email, Members are required to indicate (1) full name of Member; (2) identification / company registration number; (3) number of shares held in the Company; and (4) the manner in which such Members hold shares in the Company (e.g. via CDP, CPF or SRS) for verification purposes, failing which the submission will be treated as invalid.
8. The Company will endeavour to respond to substantial and relevant questions received from Members (including investors holding shares through relevant intermediaries and CPF/SRS Investors) by the Cut-Off Time via SGXNet and the Company's website prior to the AGM and in any case no later than 21 July 2023. Where there are substantially similar questions, the Company will consolidate such questions; and consequently, not all questions may be individually addressed.

Despatch of Documents and Access to Documents or Information relating to the Business of the Meeting

9. Printed copies of this Notice of AGM, Proxy Form and the Annual Report Request Form have been sent to Shareholders. These documents are also available for download from the website of the SGX-ST and the Company's website at the URL <http://www.cschl.com.sg>.
10. Printed copies of the Annual Report of the Company for the financial year ended 31 March 2023 ("2023 Annual Report") and Letter to Shareholders will not be sent to Shareholders. Instead, these documents are sent to Shareholders by electronic means via publication on the website of the SGX-ST and the Company's website at the URL <http://www.cschl.com.sg>.

For Members who prefer to receive a printed copy of the 2023 Annual Report and / or Letter to Shareholders, please refer to the Annual Report Request Form on how to make a request.

NOTICE OF ANNUAL GENERAL MEETING

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 an instrument appointing the Chairman of the Meeting or any other persons as proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, or (b) submitting any question prior to the AGM in accordance with this Notice of AGM, a Member 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 (collectively, the "Purposes"):

- (i) processing, administration and analysis by the Company (or its agents, advisers or service providers) of proxy(ies) and/or representative(s) appointed 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) addressing substantial and relevant questions related to the resolutions to be tabled for approval at the AGM received from Members before the AGM and/or at the AGM and if necessary, following up with the relevant Members in relation to such questions; and
- (iv) 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, and
- (v) warrants that where the Member discloses the personal data of the Member's proxy(ies) and/or representative(s) to the Company (or its agents, advisers or service providers), the Member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents, advisers or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and agrees to indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Member's breach of warranty. In addition, by attending the AGM and/or any adjournment thereof, a Member consents to the collection, use and disclosure of the Member's personal data by the Company (or its agents, advisers or service providers) for any of the Purposes.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Tan Hup Foi @ Tan Hup Hoi and Dr Leong Horn Kee are the Directors seeking re-election (the “**Retiring Directors**”) at the forthcoming Annual General Meeting of the Company to be convened on 27 July 2023 (“**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 TAN HUP FOI @ TAN HUP HOI	DR LEONG HORN KEE
Date of Appointment	3 April 2006	28 July 2018
Date of last re-election/re-appointment	27 August 2020	27 August 2020
Age	73	70
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, experience and independence of Mr Tan Hup Foi @ Tan Hup Hoi (“Mr Tan”) 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 Tan 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 Tan for re-election as Director of the Company at the forthcoming AGM.	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, experience and independence of Dr Leong Horn Kee (“Dr Leong”) 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 Dr Leong 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 Dr Leong for re-election as Director of the Company at the forthcoming AGM.
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.)	Independent Director, Chairman of Nominating Committee, Chairman of Remuneration Committee and a member of Audit Committee	Independent Director, Chairman of the Board and a member of the Audit Committee, Remuneration Committee and Nominating Committee

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR TAN HUP FOI @ TAN HUP HOI	DR LEONG HORN KEE
Professional qualifications	1. First Class Honours degree in Mechanical Engineering from Monash University in Australia; and 2. Master of Science (Industrial Engineering) degree from University of Singapore	1. Degree (Honours) in Production Engineering from Loughborough University, UK; 2. Degree (Honours) in Economics from the University of London, UK; 3. Degree in Chinese Language and Literature from Beijing Normal University; 4. Master of Business Administration degree from INSEAD, France; 5. Master in Business Research from University of Western Australia; and 6. Doctorate in Business Administration from University of Western Australia
Working experience and occupation(s) during the past 10 years	Director and Chairman of: 1. Caring Fleet Services Limited 2. Orita Sinclair School of Design and Music Pte Ltd	1. Chairman of BJ Development Pte Ltd (May 2016 till June 2021); 2. Chairman of CapitalCorp Ventures Pte Ltd (formerly known as CapitalCorp Partners Private Limited) (April 2008 till present); 3. Singapore's Non-Resident High Commissioner to Cyprus (July 2014 till July 2021); and 4. Singapore Ambassador to Argentina (September 2020 till present)
Shareholding interest in the listed issuer and its subsidiaries	No	No
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	No	No
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

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR TAN HUP FOI @ TAN HUP HOI	DR LEONG HORN KEE
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)	Director and Chairman of Transit Link Pte Ltd Member of NTUC-U Care Fund Board of Trustees	Chairman of BJ Development Pte Ltd Director of: 1. Tat Hong Holdings Ltd; 2. Viva Asset Management Pte Ltd; 3. Viva Industrial Trust Management Pte Ltd which is the management company of listed company, Viva Industrial Trust; 4. PeopleWorldwide Consulting Private Limited; 5. Austin International Management School Pte Ltd; 6. SAC Investment Management Private Limited; 7. HLU Holdings Pte Ltd; and 8. ESR-LOGOS Funds Management (S) Limited (formerly known as ESR Funds Management (S) Limited) which is the management company of listed company, ESR Reit Other Principal Commitments: 1. Singapore's Non-Resident High Commissioner to Cyprus 2. Chinese Programmes Advisory Panel of SIM University
Present	Director and Chairman of: 1. Caring Fleet Services Limited 2. Orita Sinclair School of Design and Music Pte Ltd Director of: 1. Credit Bureau Asia Limited 2. Vertex Technology Acquisition Corporation Ltd Other Principal Commitments: 1. Hon. Vice President of International Association of Public Transport (UITP) 2. Hon. Chairman of UITP Asia-Pacific Division	Director of: 1. CapitalCorp Assets Private Limited; 2. CapitalCorp Ventures Pte Ltd (formerly known as CapitalCorp Partners Private Limited); 3. IGG Inc.; 4. SAC Capital Private Limited; 5. PARAGON REIT Management Pte Ltd (formerly known as SPH REIT Management Pte Ltd) which is the management company of listed company, SPH Reit; and 6. 3dsense Media School Pte Ltd Other Principal Commitments: Singapore Ambassador to Argentina

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR TAN HUP FOI @ TAN HUP HOI	DR LEONG HORN KEE
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.		
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
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

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR TAN HUP FOI @ TAN HUP HOI	DR LEONG HORN KEE
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
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 TAN HUP FOI @ TAN HUP HOI	DR LEONG HORN KEE
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
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

CSC HOLDINGS LIMITED

(INCORPORATED IN THE REPUBLIC OF SINGAPORE)
(COMPANY REGISTRATION NO.: 199707845E)

ANNUAL GENERAL MEETING**PROXY FORM**

(Please read notes overleaf before completing this form)

IMPORTANT:

1. A relevant intermediary (as defined in Section 181 of the Companies Act 1967) is entitled to appoint more than two (2) proxies to attend, speak and vote at the Annual General Meeting ("AGM").
2. This Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by investors holding shares through relevant intermediaries (including CPF/SRS investors).

CPF/SRS investors should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies. CPF/SRS Investors who wish to appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **5:00 pm on 17 July 2023**, being at least seven (7) working days before the date of the AGM.

I/We, _____ (Name) _____ (NRIC/Passport/Registration No.)
of _____ (Address)

being a member/members of **CSC HOLDINGS LIMITED** (the "Company" or "CSC"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the Meeting, as my/our proxy/proxies 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 at 2 Tanjong Penjuru Crescent, #06-02, Singapore 608968 on Thursday, 27 July 2023 at 10:00 am and at any adjournment thereof.

I/We direct my/our proxy/proxies 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 proxy/proxies will vote or abstain from voting at his/her/their discretion.

(Voting will be conducted by poll. If you wish your proxy/proxies 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 your proxy/proxies 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 2023 and the Auditors' Report thereon			
2	Re-election of Mr Tan Hup Foi @ Tan Hup Hoi as a Director			
3	Re-election of Dr Leong Horn Kee as a Director			
4	Approval of Directors' fees of up to S\$420,000 for the financial year ending 31 March 2024, to be paid quarterly in arrears			
5	Re-appointment of KPMG LLP as Auditors and to authorise the Directors to fix their remuneration			
	Special Business			
6	Share Issue Mandate			
7	Proposed Renewal of the Share Buy-Back Mandate			

Dated this _____ day of _____ 2023

Signature or Common Seal of Member(s)

Total number of Shares in:

(a) Depository Register	
(b) Register of Members	

IMPORTANT: PLEASE READ NOTES OVERLEAF

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), you should insert that number of shares. If you have shares registered in your name in the Register of Members, 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 ("**Proxy Form**") shall be deemed to relate to all the shares held by you.
2. A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the Proxy Form.
3. A member who is a relevant intermediary (as defined in Section 181 of the Companies Act 1967) is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the Proxy Form.
"Relevant intermediary" means:
 - a banking corporation licensed under the Banking Act 1970 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; or
 - a person holding a capital markets services licence to provide custodial services under the Securities and Futures Act 2001 and who holds shares in that capacity; or
 - the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953, 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.
4. A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.
5. A proxy need not be a member of the Company. The Chairman of the Meeting, as proxy, need not be a member of the Company.
6. The Proxy Form, duly completed and signed, must be submitted to the Company no later than **10:00 am on 24 July 2023**, being not less than 72 hours before the time appointed for holding the AGM, in the following manner:

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- (a) if submitted personally or by post, be lodged with the Share Registrar of the Company, M&C Services Private Limited, at 112 Robinson Road, #05-01 Singapore 068902; or
 - (b) if submitted electronically, a scanned PDF copy be sent via email to the Share Registrar of the Company at gpb@mncsingapore.com, failing which the Proxy Form may be treated as invalid.
7. 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 duly authorised officer or attorney. 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 Proxy Form, failing which the Proxy Form may be treated as invalid.
 8. 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.
 9. Any alterations made in this Proxy Form should be initialled by the member/person signing it.
 10. Completion and submission of the Proxy Form by a member will not preclude him/her from attending, speaking and voting at the AGM if he/she subsequently wishes to do so, and at any adjournment thereof. The relevant Proxy Form submitted by the member shall be deemed to be revoked and in such an event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant Proxy Form to the AGM.

GENERAL:

The Company shall be entitled to reject the Proxy Form 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 Proxy Form (including any related attachment). In addition, in the case of shares entered in the Depository Register, the Company may reject any Proxy Form 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 2023.

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CSC HOLDINGS LIMITED
(199707845E)

Office Address:

2 Tanjong Penjuru Crescent, #06-02, Singapore 608968

**T. +65 6262 6266 F. +65 6367 0911 E. corp@cschl.com.sg
www.cschl.com.sg**

LETTER TO SHAREHOLDERS DATED 12 JULY 2023 (“LETTER”)

THIS LETTER IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in doubt as to the contents or the course of action you should take, you should consult your bank manager, stockbroker, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares represented by physical share certificate(s), you should immediately forward this Letter, the Notice of AGM, and the proxy form to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The SGX-ST (as defined herein) assumes no responsibility for the contents of this Letter, including the accuracy or correctness of any of the statements or opinions made or reports contained in this Letter.



CSC HOLDINGS LIMITED

(Company Registration No. 199707845E)
(Incorporated in the Republic of Singapore)

**LETTER TO SHAREHOLDERS IN RELATION TO
THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE**

Last date and time for lodgement of Proxy Form	:	24 July 2023 at 10.00 a.m.
Date and time of the AGM	:	27 July 2023 at 10.00 a.m.
Place of the AGM	:	The AGM will be held at 2 Tanjong Penjuru Crescent, #06-02, Singapore 608968

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DEFINITIONS

For the purposes of this Letter, the following definitions apply throughout unless otherwise stated:

“ACRA”	:	Accounting & Corporate Regulatory Authority of Singapore
“AGM”	:	The annual general meeting of the Company to be held on 27 July 2023 at 10.00 a.m. at 2 Tanjong Penjuru Crescent, #06-02, Singapore 608968
“Approval Date”	:	Has the meaning ascribed to it in Section 2.1 of this Letter
“Associate”	:	(a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:– (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; or (b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
“Average Closing Price”	:	Has the meaning ascribed to it in Section 2.3.4 of this Letter
“Board”	:	The Board of Directors of the Company, as at the Latest Practicable Date
“CDP”	:	The Central Depository (Pte) Limited
“Company”	:	CSC Holdings Limited
“Companies Act”	:	The Companies Act 1967 of Singapore, as amended or modified from time to time
“Concert Party Group”	:	Mr. Ng San Tiong Roland, Mr. Ng Chwee Cheng and TH Investments Pte Ltd, as well as parties acting in concert with them

“Constitution”	:	The constitution of the Company, as amended from time to time
“control”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
“Controlling Shareholder”	:	A person who: (a) holds directly or indirectly 15% or more of the total voting rights in the Company (the SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder); or (b) in fact, exercises control over the Company
“Director”	:	A director of the Company as at the Latest Practicable Date
“EPS”	:	Earnings per Share
“Executive Director”	:	A director of the Company who performs an executive function
“FY2023”	:	Financial year ended 31 March 2023
“Group”	:	The Company, its subsidiaries, and associated companies (if any) collectively
“Independent Director”	:	Any independent director of the Company as may be appointed from time to time
“Latest Practicable Date”	:	28 June 2023, being the latest practicable date prior to the despatch of this Letter
“Listing Manual”	:	The Listing Manual of the SGX-ST and its relevant rule(s), as may be amended or modified from time to time
“LPS”	:	Loss per Share
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Market Purchases”	:	Has the meaning ascribed to it in Section 2.3.3 of this Letter
“NAV”	:	Net asset value
“Notice of AGM”	:	The notice of the AGM dated 12 July 2023
“Ordinary Resolution”	:	Has the meaning ascribed to it in Section 1 of this Letter
“Off-Market Purchases”	:	Has the meaning ascribed to it in Section 2.3.3 of this Letter

“Relevant Period”	:	The period commencing from the date on which the Ordinary Resolution is passed in a general meeting and expiring on the earliest of the date of the next annual general meeting 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 the date the Share Buy-Back Mandate is varied or revoked by the Company in a general meeting
“Securities Accounts”	:	The securities accounts maintained by Depositors with CDP, but not including the securities accounts maintained with a Depository Agent
“SFA”	:	The Securities and Futures Act 2001 of Singapore, as amended or modified from time to time
“SGX-ST”	:	The Singapore Exchange Securities Trading Limited
“Share Buy-Back Mandate”	:	The general and unconditional mandate given by Shareholders at a general meeting to authorise the Directors to exercise all powers of the Company to purchase or acquire issued Shares within the Relevant Period, in accordance with the terms set out in this Letter, as well as the rules and regulations set forth in the Companies Act and the Listing Manual
“Share(s)”	:	Ordinary share(s) in the capital of the Company
“Shareholders”	:	Registered holders of the Shares, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP whose Securities Accounts are credited with those Shares
“SIC”	:	The Securities Industry Council of Singapore
“Substantial Shareholder”	:	A person (including a corporation) who has an interest or interests in one or more voting Shares in the Company and the total votes attached to that Share, or those Shares, is not less than 5% (directly or indirectly) of the total votes attached to all voting Shares (excluding treasury shares) in the Company
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers, as modified, supplemented or amended from time to time
“Treasury Shares Limit”	:	Has the meaning ascribed to it in Section 2.5.1 of this Letter
“Treasury Shares”	:	Shares purchased or acquired by the Company pursuant to the Share Buy-Back Mandate and held by the Company in accordance with Section 76H of the Companies Act

“S\$” and “cents” : Singapore dollars and cents, respectively

“%” : Per cent. or percentage

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The terms **“subsidiary”**, **“subsidiary holdings”** and **“related company”** shall have the meaning ascribed to them respectively in the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

Any reference in this Letter to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA, the Listing Manual or any statutory modification thereof and used in this Letter but not defined herein, shall, where applicable, have the same meaning assigned to it under the Companies Act, the SFA, the Listing Manual or any statutory modification thereof, as the case may be, unless the context otherwise provides.

Any reference to a time of day and date in this Letter shall be a reference to Singapore time and date respectively, unless otherwise stated.

Any term defined under the Companies Act or the Listing Manual, or any statutory modification thereof and used in this Letter shall, where applicable, have the meaning ascribed to it under the Companies Act or the Listing Manual, or such modification thereof, as the case may be, unless otherwise provided.

The headings in this Letter are inserted for convenience only and shall be ignored in construing this Letter.

Any discrepancies in the figures included in this Letter between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Letter may not be an arithmetic aggregation of the figures that precede them.

CSC HOLDINGS LIMITED
(Company Registration No. 199707845E)
(Incorporated in the Republic of Singapore)

Directors

Dr. Leong Horn Kee (Independent Director & Board Chairman)
Mr. See Yen Tarn (Executive Director/Group Chief Executive Officer)
Mr. Ng San Tiong Roland (Non-Executive Director)
Mr. Teo Beng Teck (Non-Executive Director)
Mr. Ong Tiew Siam (Independent Director)
Mr. Tan Hup Foi @ Tan Hup Hoi (Independent Director)

Registered Office

2 Tanjong Penjuru
Crescent #06-02
Singapore 608968

12 July 2023

To: The Shareholders of CSC Holdings Limited

Dear Shareholders,

1. INTRODUCTION

We refer to the (a) Notice of AGM; and (b) ordinary resolution number 7 (“**Ordinary Resolution**”) under the heading of “Special Business” set out in the Notice of AGM which relates to the proposed renewal of the Share Buy-Back Mandate.

The purpose of this Letter is to provide Shareholders with information relating to, and to seek their approval for, the proposed renewal of the Share Buy-Back Mandate at the AGM.

The SGX-ST assumes no responsibility for the contents of this Letter, including the accuracy or correctness of any of the statements or opinions made or reports contained in this Letter.

Harry Elias Partnership LLP is the legal adviser to the Company in relation to the proposed renewal of the Share Buy-Back Mandate.

2. THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

2.1 Background

Any purchase or acquisition of Shares by the Company would have to be made in accordance with, and in the manner prescribed by the Constitution, the Companies Act, the Listing Manual, and such other laws and regulations as may, for the time being, be applicable. It is a requirement of the Companies Act that before a company purchases or acquires its own shares, its Constitution must expressly permit the company to purchase or acquire the shares issued by it. Regulation 54(2) of the Company’s Constitution expressly permits the Company to, subject to and in accordance with the provisions of the Companies Act, purchase or acquire its issued Shares on such terms and subject to such conditions as the Company may prescribe in general meeting of the Company. It is also a requirement that a company which wishes to purchase or acquire its own shares should obtain approval from its shareholders to do so at a general meeting of the Company.

The Share Buy-Back Mandate was originally approved by Shareholders at the annual general meeting of the Company held on 29 July 2021 and subsequently renewed at the annual general meeting of the Company held on 28 July 2022 (the “**2022 AGM**”). The Share Buy-Back Mandate as renewed at the 2022 AGM will expire on the date of the AGM. Accordingly, approval is being sought from Shareholders at the AGM for the proposed renewal of the Share Buy-Back Mandate. An ordinary resolution will be proposed, pursuant to which the Share Buy-Back Mandate will be given to the Directors to exercise all powers of the Company to purchase or acquire Shares according to the terms of the Share Buy-Back Mandate, the requirements of the Constitution, and the rules and regulations set forth in the Companies Act and the Listing Manual.

If the proposed resolution for the renewal of the Share Buy-Back Mandate is approved by Shareholders at the AGM, the authority conferred by the Share Buy-Back Mandate will take effect from the date of the AGM at which the proposed renewal of the Share Buy-Back Mandate will be approved (“**Approval Date**”) and continue to be in force for the duration of the Relevant Period, which is until the earliest of the date on which the next annual general meeting is held or is required by law to be held (whereupon it will lapse, unless renewed at such annual general meeting); the date on which the share buy-backs are carried out to the full extent of the Share Buy-Back Mandate; or the date the Share Buy-Back Mandate is varied or revoked by the Company in a general meeting.

2.2 Rationale for the proposed renewal of the Share Buy-Back Mandate

The proposed renewal of the Share Buy-Back Mandate will give the Company the flexibility to purchase or acquire its Shares if and when circumstances permit. The Directors believe that share buy-backs would allow the Company and the Directors to better manage the Company’s share capital structure, dividend payout and cash reserves. In addition, it also provides the Directors a mechanism to facilitate the return of surplus cash over and above the Company’s ordinary capital requirements in an expedient and cost-efficient manner, and the opportunity to exercise control over the Company’s share capital structure with a view to enhancing the EPS and/or NAV per Share.

Pursuant to the Companies Act, Shares purchased or acquired pursuant to the Share Buy-Back Mandate may be held or dealt with as Treasury Shares.

If and when circumstances permit, the Directors will decide whether to effect the Shares purchases via on-market purchases or off-market purchases, after taking into account the amount of surplus cash available, the prevailing market conditions and the most cost-effective and efficient approach.

Shareholders can be assured that purchases or acquisitions of Shares by the Company pursuant to the Share Buy-Back Mandate would be made in circumstances where it is considered to be in the best interests of the Company, after taking into account the amount of surplus cash available and the prevailing market conditions. Further, the Directors do not propose to carry out purchases or acquisitions to such an extent that would, or in circumstances that might, result in a material adverse effect on the liquidity, the orderly trading of the Shares, the working capital requirements of the Company or its gearing positions which are, in the opinion of the Directors, appropriate from time to time, or result in the Company being delisted from the SGX-ST. For example, the Directors will ensure that the purchases or acquisitions will not be carried out to such an extent that the free float of the Company’s Shares held by the public falls to below ten per cent. (10%).

2.3 Terms of the Share Buy-Back Mandate

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the Share Buy-Back Mandate are summarised below:

2.3.1 Maximum number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

In accordance with Rule 882 of the Listing Manual, the total number of Shares that may be purchased or acquired by the Company during the Relevant Period shall not exceed ten per cent. (10%) of the total number of issued Shares as at the Approval Date. For purposes of calculating the percentage of Shares referred to above, any of the Shares which are held as Treasury Shares or subsidiary holdings will be disregarded.

For illustrative purposes only, based on the existing issued and paid-up share capital of the Company as at the Latest Practicable Date comprising 3,516,766,176 Shares (excluding Treasury Shares and subsidiary holdings), and assuming no further Shares are issued on or prior to the Latest Practicable Date, no more than 351,676,617 Shares representing ten per cent. (10%) of the total number of issued Shares (excluding Treasury Shares and subsidiary holdings) as at the Latest Practicable Date may be purchased or acquired by the Company pursuant to the Share Buy-Back Mandate.

2.3.2 Duration of authority

Purchases or acquisitions of Shares under the Share Buy-Back Mandate may be made during the Relevant Period, which is at any time and from time to time, on and from the Approval Date, up to the earliest of:

- (a) the date of the next annual general meeting of the Company is held or the date by which such annual general meeting is required by law to be held;
- (b) the date on which the share buy-backs are carried out to the full extent of the Share Buy-Back Mandate; or
- (c) the date on which the authority conferred in the Share Buy-Back Mandate is varied or revoked by the Company in a general meeting.

The authority conferred on the Directors by the Share Buy-back Mandate to purchase or acquire Shares may be renewed by Shareholders in any general meeting of the Company, such as at the next annual general meeting or at an extraordinary general meeting to be convened immediately after the conclusion or adjournment of the next annual general meeting.

2.3.3 Manner of purchase or acquisition of Shares

Purchases or acquisitions of Shares may be made by way of:

- (a) on-market purchases ("**Market Purchases**"), transacted on the SGX-ST 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

- (b) off-market purchases (“**Off-Market Purchases**”) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) (as defined in Section 76C of the Companies Act).

The Directors may impose such terms and conditions which are not inconsistent with the Share Buy-Back Mandate, the Listing Manual, the Constitution and the Companies Act as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme(s). Pursuant to the Companies Act, an Off-Market Purchase must satisfy all of the following conditions:

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded:
 - (1) differences in consideration attributable to the fact that the offers may relate to Shares with different accrued dividend entitlements;
 - (2) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid (if applicable); and
 - (3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, Rule 885 of the Listing Manual provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders containing at least the following information:

- (aa) the terms and conditions of the offer;
- (bb) the period and procedures for acceptances;
- (cc) the reasons for the proposed share buy-back;
- (dd) the consequences, if any, of share buy-backs by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (ee) whether the share buy-back, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (ff) details of any share buy-back made by the Company in the previous twelve (12) months (whether Off-Market Purchases in accordance with an equal access scheme or Market Purchases), setting out the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (gg) whether the shares purchased by the Company will be cancelled or kept as Treasury Shares.

2.3.4 Maximum purchase price

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors and must not exceed the Maximum Price which is:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and
- (b) in the case of an Off-Market Purchase, 120% of the Average Closing Price of the Shares,

in either case, excluding related expenses of the purchase or acquisition of Shares (the “**Maximum Price**”).

For the above purposes:

“**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, 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 to be adjusted for any corporate action that occurs during the relevant five (5) Market Days period and the day on which the purchases are made or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase.

For the purpose of the definition of **Average Closing Price** above, “**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, 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.

2.4 **Status of Purchased Shares**

A Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Shares are held by the Company as Treasury Shares to the extent permitted under the Companies Act. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as Treasury Shares. All Shares purchased or acquired by the Company (other than Treasury Shares held by the Company to the extent permitted under the Companies Act), will be automatically de-listed by the SGX-ST, and the certificates (if any) in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

At the time of each purchase of Shares by the Company, the Directors will decide whether the Shares purchased by the Company under the Share Buy-back Mandate will be cancelled or kept as Treasury Shares, or partly cancelled and partly kept as Treasury Shares, as the Directors deem fit in the interests of the Company at that time.

2.5 Treasury Shares

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as Treasury Shares. Some of the provisions on Treasury Shares under the Companies Act are summarised below:

2.5.1 Maximum holdings

Under Section 76I of the Companies Act, the aggregate number of Shares held as Treasury Shares cannot at any time exceed ten per cent. (10%) of the total number of issued Shares (excluding Treasury Shares and subsidiary holdings) ("**Treasury Shares Limit**"). Where Shares purchased pursuant to the Share Buy-Back Mandate are held as Treasury Shares, the number of such Shares to be held as Treasury Shares, when aggregated with the existing Treasury Shares held shall not, subject to the Companies Act, exceed the Treasury Shares Limit at any time. Any Shares in excess of the Treasury Shares Limit shall be disposed of or cancelled in accordance with Section 76K of the Companies Act within six (6) months or such further periods as ACRA may allow.

2.5.2 Voting and other rights

The Company cannot exercise any right in respect of Treasury Shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the Treasury Shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of Treasury Shares. However, the allotment of Shares as fully paid bonus shares in respect of Treasury Shares is allowed. Also, a subdivision or consolidation of any Treasury Share into Treasury Shares of a greater or smaller number is allowed so long as the total value of the Treasury Shares after the subdivision or consolidation is the same as the total value of the Treasury Shares before the subdivision or consolidation.

2.5.3 Disposal and cancellation

Where Shares are held as Treasury Shares, the Company may at any time:

- (a) sell the Treasury Shares (or any of them) for cash;
- (b) transfer the Treasury Shares (or any of them) for the purposes of, or pursuant to an employees' share scheme of the Company;
- (c) transfer the Treasury Shares (or any of them) as consideration for the acquisition of Shares in, or assets of, another company or assets of a person;
- (d) cancel the Treasury Shares (or any of them); or
- (e) sell, transfer or otherwise use the Treasury Shares for such other purposes as may be prescribed by the Minister for Finance of Singapore.

Under Rule 704(28) of the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of Treasury Shares (in each case, the “**usage**”). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of Treasury Shares comprised in the usage, the number of Treasury Shares before and after the usage, the percentage of the number of Treasury Shares comprised in the usage against the total number of issued shares (of the same class as the Treasury Shares) which are listed on the SGX-ST before and after the usage and the value of the Treasury Shares in relation to the usage.

2.6 Reporting Requirements

Within thirty (30) days of the passing of the Shareholders’ ordinary resolution to approve any purchase or acquisition of Shares by the Company, the Company shall lodge a copy of such ordinary resolution with ACRA.

The Company shall notify ACRA within thirty (30) days of a purchase or acquisition of Shares on the SGX-ST or otherwise by lodging with ACRA the notice of the purchase or acquisition in the prescribed form, such notification including, amongst others, the date of the purchase or acquisition, the total number of Shares purchased or acquired by the Company, the number of Shares cancelled, the number of Shares held as Treasury Shares, the Company’s issued share capital before the purchase or acquisition of Shares, the Company’s issued share capital after the purchase or acquisition of Shares, the amount of consideration paid by the Company for the purchase or acquisition, whether the Shares were purchased or acquired out of the profits or the capital of the Company and such other particulars as may be required by ACRA.

Within thirty (30) days of the cancellation or disposal of Treasury Shares in accordance with the provisions of the Companies Act, the Directors shall lodge with ACRA the notice of cancellation or disposal of Treasury Shares in the prescribed form as required by ACRA.

Rule 886 of the Listing Manual specifies that a listed company must notify the SGX-ST of any purchases or acquisitions of its shares no later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made; and
- (b) in the case of an Off-Market Purchase, on the second Market Day after the close of acceptance of the offer for the Off-Market Purchase.

The notification of such purchase or acquisition of shares to the SGX-ST must be in such form and shall include such details as may be prescribed in the Listing Manual. The Company shall make arrangements with its stockbrokers to ensure that they provide to the Company in a timely fashion the necessary information which will enable the Company to make the necessary notifications to the SGX-ST.

2.7 Suspension of buy-back of shares

As the Company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its Shares, the Company will not purchase or acquire Shares after a price sensitive development has occurred or has been the subject of a decision of the Directors, until the price sensitive information has been publicly announced. In particular, in observing the best practices on securities dealings under Rule 1207(19) of the Listing Manual, the Company will not purchase or acquire any Shares through Market Purchases or Off-Market Purchases during the period commencing one (1) month preceding the announcement of the Company’s half year and full year results, as the case may be, and ending on the date of the announcement of the relevant results.

2.8 Source of funds

In purchasing or acquiring Shares, the Company may only apply funds legally available for such purchase or acquisition in accordance with the Constitution and the applicable laws of Singapore. The Company may not purchase its Shares for a consideration other than in cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the Listing Manual. As stated in the Companies Act, the share buy-back may be made out of the Company's profits or capital so long as the Company is solvent.

Pursuant to Section 76F(4) of the Companies Act, a company is solvent if at the date of the payment of the consideration for any share buy-back, the following conditions are satisfied:

- (a) there is no ground on which the company could be found to be unable to pay its debts;
- (b) if it is intended to commence winding up within the period of 12 months immediately after the date of the payment, the company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or if it is not intended so to commence winding up, the company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and
- (c) the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after any proposed purchase, acquisition, variation or release (as the case may be), become less than the value of its liabilities (including contingent liabilities).

In determining whether the Company is solvent, the Directors must have regard to the most recently audited financial statements, other relevant circumstances, and may rely on valuations or estimation of assets or liabilities. In determining the value of contingent liabilities, the Directors may take into account the likelihood of the contingency occurring, as well as any counter-claims by the Company.

The Company intends to use internal sources of funds, or a combination of internal resources and external borrowings to finance the Company's purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate. The Directors do not propose to exercise the Share Buy-back Mandate to such an extent that it would have a material adverse effect on the financial position of the Company.

2.9 Financial effects

Under the Companies Act, the purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (including brokerage, commission, applicable goods and services tax and other related expenses) will correspondingly reduce the profits of the Company and hence the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, such consideration (including brokerage, commission, applicable goods and services tax and other related expenses) will correspondingly reduce the share capital of the Company but the amount available for the distribution of cash dividends by the Company will not be reduced. The NAV of the Company and of the Group will be reduced by the aggregate purchase price paid by the Company for the Shares.

For illustrative purposes only, as at the Latest Practicable Date, the issued and paid-up ordinary share capital of the Company (excluding Treasury Shares and subsidiary holdings) comprises 3,516,766,176 Shares. The exercise in full of the Share Buy-Back Mandate would result in the purchase of 351,676,617 Shares.

It is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions of Shares that may be made pursuant to the Share Buy-Back Mandate on the NAV and EPS as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased or acquired, whether the purchase or acquisition is made out of capital or profits, the purchase prices paid for such Shares and whether the Shares purchased or acquired are cancelled or held as Treasury Shares.

For illustration purposes only, the financial effects of the Share Buy-Back Mandate on the Company and the Group, based on the audited financial statements of the Company and the Group for FY2023 are based on the following assumptions:

- (a) based on 3,516,766,176 Shares in issue (excluding Treasury Shares and subsidiary holdings) as at the Latest Practicable Date and assuming no further Shares are issued, purchased and kept as Treasury Shares on or prior to the AGM, the purchase or acquisition by the Company of ten per cent. (10%) of its issued Shares (excluding Treasury Shares and subsidiary holdings) will result in the purchase or acquisition of 351,676,617 Shares (representing 10% of the total number of issued Shares by the Company pursuant to the Share Buy-Back Mandate (if renewed));
- (b) in the case of Market Purchases by the Company and assuming that the Company purchases or acquires 351,676,617 Shares, the maximum amount of funds required for the purchase (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) assuming a Maximum Price of S\$0.008 for one (1) Share which is five per cent. (5%) above the average of the closing market prices of the Shares for the last five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date, is approximately S\$2,813,000; and
- (c) in the case of the Off-Market Purchases by the Company and assuming that the Company purchases or acquires 351,676,617 Shares, the maximum amount of funds required for the purchase (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) assuming a Maximum Price of S\$0.009 for one (1) Share which is twenty per cent. (20%) above the average of the closing market prices of the Shares for the last five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date, is approximately S\$3,165,000.

For illustrative purposes only and on the basis of the assumptions set out in (a), (b) and (c) above, the financial effects of the:

- (i) purchase or acquisition of 351,676,617 Shares by the Company pursuant to the Share Buy-Back Mandate by way of Market Purchases made entirely out of capital and cancelled or held in treasury; and
- (ii) purchase or acquisition of 351,676,617 Shares by the Company pursuant to the Share Buy-Back Mandate by way of Off-Market Purchases made entirely out of capital and cancelled or held in treasury,

on the audited financial statements of the Company and the Group for FY2023 are set out below.

As the financial effects of purchases of Shares by the Company made entirely out of profits are similar to that of purchases made entirely out of capital, only the financial effects by way of purchases made entirely out of capital are illustrated below in this Letter.

Scenario 1: Purchases made entirely out of capital and cancelled

	Group			Company		
	Before Share Buy-Back	After Share Market Purchase	Buy-Back Off-Market Purchase	Before Share Buy-Back	After Share Market Purchase	Buy-Back Off-Market Purchase
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>As at 31 March 2023</u>						
Share Capital	94,089	91,276	90,924	94,089	91,276	90,924
Capital Reserve	17,798	17,798	17,798	17,798	17,798	17,798
Reserve for own shares	(3,049)	(3,049)	(3,049)	(3,049)	(3,049)	(3,049)
Other Reserves	(6,054)	(6,054)	(6,054)	–	–	–
Accumulated (Losses)/Profits	(3,732)	(3,732)	(3,732)	151	151	151
Non-controlling interests	25,303	25,303	25,303	–	–	–
Total equity	124,355	121,542	121,190	108,989	106,176	105,824
NAV	124,355	121,542	121,190	108,989	106,176	105,824
Current Assets ⁽¹⁾	194,554	191,741	191,389	20,136	17,323	16,971
Current Liabilities ⁽¹⁾	186,038	186,038	186,038	17,701	17,701	17,701
Working Capital	8,516	5,703	5,351	2,435	(378)	(730)
Total Borrowings ⁽¹⁾⁽²⁾	93,664	93,664	93,664	1,655	1,655	1,655
Cash and Cash Equivalents ⁽¹⁾	22,804	19,991	19,639	711	711	711
Total issued number of Shares (excluding Treasury Shares) ('000)	3,517,266	3,165,589	3,165,589	3,517,266	3,165,589	3,165,589
Weighted average number of Shares ('000)	3,520,447	3,168,770	3,168,770	3,520,447	3,168,770	3,168,770
Loss attributable to owner of the Company for the year	(26,681)	(26,681)	(26,681)	(1,893)	(1,893)	(1,893)
<u>Financial Ratios</u>						
NAV per Share (cents)	3.5	3.8	3.8	3.1	3.4	3.3
Gearing (times)	0.75	0.77	0.77	0.02	0.02	0.02
Current Ratio (times)	1.05	1.03	1.03	1.14	0.98	0.96
Basic LPS (cents)	(0.76)	(0.84)	(0.84)	(0.05)	(0.06)	(0.06)

Notes:

(1) The assumption is that the Group companies would repay the amounts due to the Company to enable it to pay for the shares. Therefore, Cash and Cash equivalent, Current Liabilities and Total Borrowings at Company level would not be affected.

(2) Excluding lease liabilities associated with right-of-use assets.

Scenario 2: Purchases made entirely out of capital and held as Treasury Shares

	Group			Company		
	Before	After Share	Buy-Back	Before	After Share	Buy-Back
	Share Buy-Back	Market Purchase	Off-Market Purchase	Share Buy-Back	Market Purchase	Off-Market Purchase
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at 31 March 2023						
Share Capital	94,089	94,089	94,089	94,089	94,089	94,089
Capital Reserve	17,798	17,798	17,798	17,798	17,798	17,798
Reserve for own shares	(3,049)	(5,862)	(6,214)	(3,049)	(5,862)	(6,214)
Other Reserves	(6,054)	(6,054)	(6,054)	–	–	–
Accumulated (Losses)/Profits	(3,732)	(3,732)	(3,732)	151	151	151
Non-controlling interests	25,303	25,303	25,303	–	–	–
Total equity	124,355	121,542	121,190	108,989	106,176	105,824
NAV	124,355	121,542	121,190	108,989	106,176	105,824
Current Assets ⁽¹⁾	194,554	191,741	191,389	20,136	17,323	16,971
Current Liabilities ⁽¹⁾	186,038	186,038	186,038	17,701	17,701	17,701
Working Capital	8,516	5,703	5,351	2,435	(378)	(730)
Total Borrowings ⁽¹⁾⁽²⁾	93,664	93,664	93,664	1,655	1,655	1,655
Cash and Cash Equivalents ⁽¹⁾	22,804	19,991	19,639	711	711	711
Total issued number of Shares (excluding Treasury Shares) ('000)	3,517,266	3,165,589	3,165,589	3,517,266	3,165,589	3,165,589
Weighted average number of Shares ('000)	3,520,447	3,168,770	3,168,770	3,520,447	3,168,770	3,168,770
Loss attributable to owner of the Company for the year	(26,681)	(26,681)	(26,681)	(1,893)	(1,893)	(1,893)
Financial Ratios						
NAV per Share (cents)	3.5	3.8	3.8	3.1	3.4	3.3
Gearing (times)	0.75	0.77	0.77	0.02	0.02	0.02
Current Ratio (times)	1.05	1.03	1.03	1.14	0.98	0.96
Basic LPS (cents)	(0.76)	(0.84)	(0.84)	(0.05)	(0.06)	(0.06)

Notes:

(1) The assumption is that the Group companies would repay the amounts due to the Company to enable it to pay for the shares. Therefore, Cash and Cash equivalent, Current Liabilities and Total Borrowings at Company level would not be affected.

(2) Excluding lease liabilities associated with right-of-use assets.

The actual impact will depend on the number and price of the Shares bought back. As stated, the Directors do not propose to exercise the Share Buy-Back Mandate to such an extent that it would have a material adverse effect on the working capital requirements and/or gearing of the Group. The purchase of Shares will only be effected after assessing the relative impact of a share buy-back taking into consideration both financial factors (such as cash surplus, debt position and working capital requirements) and non-financial factors (such as stock market conditions and the performance of the Shares).

Shareholders should note that the financial effects illustrated above, based on the respective aforesaid assumptions, are for illustration purposes only. In particular, it is important to note that the above analysis is based on the audited accounts of the Company and the Group for FY2023, and is not necessarily representative of the future financial performance of the Company and the Group.

It should be noted that although the Share Buy-Back Mandate would authorise the Company to purchase or acquire up to ten per cent. (10%) of the issued Shares (excluding Treasury Shares and subsidiary holdings), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire ten per cent. (10%) of the issued Shares (excluding Treasury Shares and subsidiary holdings). In addition, the Company may cancel, or hold as Treasury Shares, all or part of the Shares purchased or acquired. The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a purchase or acquisition of Shares before execution. Taking all these things into consideration, the Board will only consider to proceed with the execution of the purchase or acquisition of Shares if the effects are beneficial to the Company and its Shareholders.

2.10 Take-over implications arising from share buy-back

The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

2.10.1 Obligation to make a take-over offer

If, as a result of any purchase or acquisition by the Company of the Shares, the percentage of voting rights in the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code.

Rule 14 of the Take-over Code ("**Rule 14**") requires, *inter alia*, that except with the consent of SIC, where:

- (a) any person acquires, whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30% or more of the voting rights of a company; or
- (b) any person who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than one per cent. (1%) of the voting rights,

such person shall extend immediately an offer on the basis set out below to the holders of any class of shares in the capital which carries votes and in which such person or persons acting in concert with him hold shares. In addition to such

person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

In calculating the percentages of voting rights of such person and their concert parties, Treasury Shares shall be excluded.

2.10.2 Persons acting in concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons will, *inter alia*, be presumed to be acting in concert with each other under the Take-over Code:

- (a) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (b) a company with its parent company, its subsidiaries and fellow subsidiaries, and their associated companies, any company whose associated companies include any of the foregoing companies, to any of the foregoing for the purchase of voting rights. For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status; and
- (c) an individual with his close relatives, related trusts and person(s) who are accustomed to act in accordance with his instructions.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Rule 14 and Appendix 2 of the Take-over Code (“**Appendix 2**”).

The statements herein do not purport to be a comprehensive or exhaustive description of all the relevant provisions of, or all implications that may arise under the Take-over Code. Shareholders who are in doubt as to whether they would incur any obligations to make a take-over offer for the Company under the Take-over Code are advised to consult their professional advisers and/or the SIC at the earliest opportunity.

2.10.3 Effect of Rule 14 and Appendix 2

Appendix 2 contains the share buy-back guidance note. In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors of the Company and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company’s voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six (6) months.

For the avoidance of doubt, when the Company buys back its Shares, any resulting increase in the percentage of voting rights held by a Shareholder would be treated as an acquisition for the purpose of Rule 14. Under Appendix 2, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent. (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the Ordinary Resolution authorising the Share Buy-Back Mandate.

2.10.4 Application of the Take-over Code

Mr. Ng San Tiong Roland, Mr. Ng Chwee Cheng and TH Investments Pte Ltd, which comprise the Concert Party Group, are considered parties acting in concert under the Take-over Code.

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. Mr. Ng San Tiong Roland is a Director and shareholder, and Mr. Ng Chwee Cheng is a shareholder, of Chwee Cheng & Sons Pte Ltd.

Pursuant to the terms of a trust deed dated 29 July 1997 (as supplemented by deeds dated 12 October 1998 and 25 June 2012) (the "**Trust Deed**"), Mr. Ng San Tiong Roland and his brothers, Mr. Ng Sun Ho Tony, Mr. Ng San Wee David and Mr. Ng Sun Giam Roger, are joint trustees of the Chwee Cheng Trust constituted under the Trust Deed and which owns approximately 39.5% of the issued share capital of Chwee Cheng & Sons Pte Ltd. Under the terms of the Trust Deed, the beneficiaries of the Chwee Cheng Trust are the sons of Mr. Ng Chwee Cheng, namely, Mr. Ng San Tiong Roland, Mr. Ng Sun Ho Tony, Mr. Ng Sun Hoe Patrick, Mr. Ng Sang Kuey Michael, Mr. Ng San Guan William, Mr. Ng Sun Giam Roger, Mr. Ng San Wee David, Mr. Ng Sun Eng Sunny, Mr. Ng Sun Oh Lewis and their descendants.

As at the Latest Practicable Date, the Concert Party Group hold an aggregate of 1,438,850,997 Shares in the issued capital of the Company representing approximately 40.91% of the aggregate voting rights in the Company (excluding Treasury Shares).

The shareholding of the Concert Party Group comprises:

- (a) 23,920,994 Shares held by Mr. Ng San Tiong Roland representing approximately 0.68% of the aggregate voting rights in the Company;
- (b) 322,202,494 Shares held by Mr. Ng Chwee Cheng representing approximately 9.16% of the aggregate voting rights in the Company; and
- (c) 1,092,727,509 Shares held by TH Investments Pte Ltd representing approximately 31.07% of the aggregate voting rights in the Company.

For the purposes of illustration, on the basis of 3,516,766,176 Shares in issue (excluding the Treasury Shares) as at the Latest Practicable Date, assuming that (i) no further Shares are issued by the Company on or prior to the AGM approving the renewal of the Share Buy-Back Mandate, (ii) the Company purchases the maximum number of 351,676,617 Shares under the Share Buy-Back Mandate, representing 10% of the total number of Shares in issue as at the date of the AGM, and (iii) such Shares are either cancelled or held as Treasury Shares:

- (a) the total number of Shares in issue (excluding the Treasury Shares) will be reduced from 3,516,766,176 to 3,165,089,559 Shares; and
- (b) the percentage of the aggregate voting rights in the Company held by TH Investments Pte Ltd, Mr. Ng San Tiong Roland and Mr. Ng Chwee Cheng will increase approximately as follows:

	Number of Shares held	Percentage voting rights in the Company	
		Before Share Buy-Back	After Share Buy-Back
TH Investments Pte Ltd	1,092,727,509	31.07%	34.52%
Mr. Ng San Tiong Roland	23,920,994	0.68%	0.76%
Mr. Ng Chwee Cheng	322,202,494	9.16%	10.18%
Total	1,438,850,997	40.91%	45.46%

Save as disclosed, none of the other Substantial Shareholders or Directors (together with persons acting in concert with it or them) will become obligated to make a mandatory take-over offer for the Company under the Share Buy-Back Mandate if the Company purchases up to the maximum ten per cent (10%) of the issued Shares (excluding Treasury Shares) under the Share Buy-Back Mandate.

The statements herein do not purport to be a comprehensive or exhaustive description of all the relevant provisions of, or all implications that may arise under the Take-over Code. Shareholders who are in any doubt as to whether they would incur any obligations to make a take-over offer as a result of any purchase of Shares by the Company pursuant to the Share Buy-Back Mandate are advised to consult their professional advisers and/or the SIC and/or the relevant authorities at the earliest opportunity before they acquire any Shares during the period when the Share Buy-Back Mandate is in force.

2.10.5 Exemption from Rule 14

Pursuant to Section 3(a) of Appendix 2, the Concert Party Group would be eligible to be exempted from the requirement to make a general offer for the Company under Rule 14 as a result of the Company buying back its Shares pursuant to the Share Buy-Back Mandate, subject to the following conditions:

- (a) the Letter to contain advice to the effect that by voting to approve the renewal of the Share Buy-Back Mandate, Shareholders are waiving their rights to a general offer at the required price from the Concert Party Group who, as a result of the share buy-backs, would increase their voting rights by more than 1% in any period of six (6) months;

- (b) the Letter discloses the names of the Concert Party Group, their voting rights at the time of the AGM and after the Company exercises the renewed Share Buy-Back Mandate;
- (c) the Ordinary Resolution to authorise the renewal of the Share Buy-Back Mandate is approved by a majority of those Shareholders present and voting at the AGM on a poll who could not become obliged to make an offer for the Company as a result of the Company purchasing Shares under the Share Buy-Back Mandate;
- (d) the Concert Party Group will abstain from voting on the Ordinary Resolution in respect of all their Shares as of the date of the AGM and/or abstain from making a recommendation to Shareholders to vote in favour of the Ordinary Resolution;
- (e) within seven (7) days after the passing of the Ordinary Resolution, each of the Directors in the Concert Party Group to submit to the SIC a duly signed form as prescribed by the SIC; and
- (f) the Concert Party Group has not acquired and will not acquire any Shares between the date on which they know that the announcement of the renewal of the Share Buy-Back Mandate is imminent and the earlier of:
 - (i) the date on which the authority of the Share Buy-Back Mandate expires; and
 - (ii) the date on which the authority of the renewed Share Buy-Back Mandate expires; and the date on which the Company announces it has:
 - (A) bought back such number of Shares as authorised by Shareholders at the AGM; or (B) decided to cease buying back its Shares,

as the case may be, if such acquisitions, taken together with the share buy-back(s) under the renewed Share Buy-Back Mandate, would cause the aggregate voting rights held by the Concert Party Group in the Company to increase by more than 1% in the preceding six (6) months.

If the aggregate voting rights held by the Concert Party Group increases by more than 1% solely as a result of the Company buying back Shares as authorised by the Share Buy-Back Mandate, and none of them has acquired any shares during the period as defined in Section 2.10.5(f) above, then the Concert Party Group would be eligible for the SIC's exemption from the requirement to make a general offer under Rule 14 of the Take-over Code, or where such exemption had been granted, would continue to enjoy the exemption.

Shareholders should note that by voting for the Ordinary Resolution relating to the renewal of the Share Buy-Back Mandate to be proposed at the AGM, they are waiving their rights to a general offer at the required price from Mr. Ng San Tiong Roland and the parties acting in concert with him.

Save as disclosed above, the Directors are not aware of any fact(s) or factor(s) which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert such that their respective interests in voting Shares should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a purchase of Shares by the Company pursuant to the Share Buy-Back Mandate.

Appendix 2 requires that the resolution to authorise the renewal of the Share Buy-Back Mandate be approved by a majority of those Shareholders present and voting at the meeting on a poll who could not become obliged to make an offer under the Take-over Code as a result of the share buy-back. Accordingly, the Ordinary Resolution is proposed to be taken on a poll, and each of the Concert Party Group to abstain, from voting on the Ordinary Resolution.

2.10.6 Advice to Shareholders

Shareholders who are in any doubt as to whether they would incur any obligations to make a take-over offer as a result of any share buy-back pursuant to the Share Buy-Back Mandate are advised to consult their professional advisers and/or the SIC and/or the relevant authorities at the earliest opportunity before they acquire any Shares during the period when the Share Buy-Back Mandate is in force.

2.10.7 Interests of Directors and Substantial Shareholders

Based on the Register of Directors' Shareholdings of the Company and the Register of Substantial Shareholders of the Company maintained pursuant to Section 164 and Section 88 of the Companies Act respectively, as at the Latest Practicable Date, the shareholdings of the Directors and the Substantial Shareholders before and after the purchase of Shares (assuming (i) the Company purchases the maximum number of ten per cent. (10%) of the issued Shares (excluding Treasury Shares and subsidiary holdings) of the Company as at the Latest Practicable Date, and (ii) there is no change in the number of Shares held or deemed to be held by the Directors and Substantial Shareholders) were/will be as follows:

	Before Share Buy-Back (Number of Shares)		Before Share Buy-Back based on Total Interest (%) ⁽¹⁾	After Share Buy-Back based on Total Interest (%) ⁽²⁾
	Direct Interest	Deemed Interest		
Name of Director				
Dr. Leong Horn Kee	—	—	—	—
Mr. See Yen Tarn ⁽³⁾	—	22,449,996	0.64	0.71
Mr. Teo Beng Teck	12,095,000	—	0.34	0.38
Mr. Ng San Tiong Roland ⁽⁴⁾⁽⁵⁾	—	1,116,648,503	31.75	35.28
Mr. Ong Tiew Siam	18,000,000	—	0.51	0.57
Mr. Tan Hup Foi @ Tan Hup Hoi	—	—	—	—
Name of Substantial Shareholders				
Mr. Ng San Tiong Roland ⁽⁴⁾⁽⁵⁾	—	1,116,648,503	31.75	35.28
TH Investments Pte Ltd ⁽⁵⁾	—	1,092,727,509	31.07	34.52
Tat Hong Investments Pte Ltd ⁽⁵⁾	—	1,092,727,509	31.07	34.52
Chwee Cheng & Sons Pte Ltd ⁽⁵⁾	—	1,092,727,509	31.07	34.52
Mr. Ng Sun Ho Tony ⁽⁵⁾	—	1,092,727,509	31.07	34.52

	Before Share Buy-Back (Number of Shares)		Before Share Buy-Back based on Total Interest (%) ⁽¹⁾	After Share Buy-Back based on Total Interest (%) ⁽²⁾
	Direct Interest	Deemed Interest		
Mr. Ng San Wee David ⁽⁵⁾	–	1,092,727,509	31.07	34.52
Mr. Ng Sun Giam Roger ⁽⁵⁾	–	1,092,727,509	31.07	34.52
Ng Chwee Cheng Corporation ⁽⁶⁾	314,542,494	–	8.94	9.94
BOS Trustee Limited ⁽⁶⁾	–	314,542,494	8.94	9.94
Bank of Singapore Limited ⁽⁶⁾	–	314,542,494	8.94	9.94
Oversea-Chinese Banking Corporation Limited ⁽⁶⁾	–	314,542,494	8.94	9.94
Mr. Ng Chwee Cheng ⁽⁶⁾⁽⁷⁾	3,760,000	318,442,494	9.16	10.18
Dr. Chiu Hong Keong or Mdm. Khoo Yok Kee ⁽⁸⁾	519,093,400	319,100	14.77	16.41

Notes:

- (1) The percentage of shareholdings was computed based on the total number of Shares as at the Latest Practicable Date of 3,516,766,176 (which excludes 71,582,000 Shares which are held as Treasury Shares representing approximately 2.04% of the total number of issued Shares excluding Treasury Shares and subsidiary holdings).
- (2) The percentages in the table are calculated based on 3,165,089,559 issued and paid-up Shares (excluding Treasury Shares and subsidiary holdings).
- (3) Mr. See Yen Tarn is deemed to have an interest in 22,449,996 Shares held through nominee accounts.
- (4) Mr. Ng San Tiong Roland is deemed to have an interest in 23,920,994 Shares held through nominee accounts.
- (5) 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.
- (6) 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”) which is in turn a wholly owned subsidiary of Oversea-Chinese Banking Corporation Limited (“OCBC”). Each of OCBC and BOS, is therefore deemed to have an interest in 314,542,494 Shares held by Ng Chwee Cheng Corporation.
- (7) Mr. Ng Chwee Cheng is deemed to have an interest in 3,900,000 Shares held through a nominee account.
- (8) 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.

Save as disclosed above, based on the Register of Members and the Register of Substantial Shareholders of the Company as at the Latest Practicable Date, to the best of their knowledge, the Directors are not aware of any other Director or Substantial Shareholder (together with persons acting in concert with them) who may become obliged to make a mandatory offer under Rule 14 in the event that the Company purchases the maximum number of 351,676,617 Shares under the proposed Share Buy-Back Mandate.

Save as disclosed, none of the other Substantial Shareholders or Directors (together with persons acting in concert with it or them) will become obligated to make a mandatory take-over offer for the Company under the Share Buy-Back Mandate if the Company purchases up to the maximum ten per cent (10%) of the issued Shares (excluding Treasury Shares) under the Share Buy-Back Mandate.

2.11 Listing status of Shares on the SGX-ST

The Company does not have any individual shareholding limit or foreign shareholding limit. However, the Company is required under Rule 723 of the Listing Manual to ensure that at least ten per cent. (10%) of the total number of issued shares (excluding preference shares, convertible equity securities and Treasury Shares) in a class that is listed is at all times held by the public. The term “*public*”, as defined under the Listing Manual, are persons other than (i) the Directors, chief executive officer, Substantial Shareholders or Controlling Shareholders of the Company or its subsidiaries; and (ii) the Associates of persons in (i).

As at the Latest Practicable Date, there are 1,489,137,948 issued Shares representing approximately 42.34% of the issued Shares (excluding Treasury Shares and subsidiary holdings) are held by the public. For illustration purposes only, assuming that the Company purchases the maximum number of ten per cent. (10%) of the issued Shares, being 351,676,617 Shares as at the Latest Practicable Date, and assuming that such Shares are held in public hands, the resultant number of Shares held by the public after the purchase of such Shares would be 1,137,461,331 Shares, representing approximately 35.94% of the remaining issued Shares (excluding Treasury Shares and subsidiary holdings).

Before deciding to effect a purchase of Shares, the Directors will also consider whether, notwithstanding such purchase, a sufficient float in the hands of the public will be maintained to provide for an orderly market for trading in the Shares.

The Directors will use their best efforts to ensure that the Company does not effect a purchase or acquisition of Shares if the purchase or acquisition of Shares would result in the number of Shares remaining in the hands of the public falling to such a level as to cause market illiquidity or adversely affect the listing status of the Company.

Save for its Shares, as at the Latest Practicable Date, the Company has no securities listed on the SGX-ST.

2.12 Shares purchased by the Company

In the last 12 months immediately preceding the Latest Practicable Date, the Company purchased or acquired an aggregate of 4,662,000 Shares, by way of seven (7) Market Purchases effected on the SGX-ST and held them as treasury shares. The highest and lowest prices paid were S\$0.013 and S\$0.009 per Share respectively. The total consideration paid (including stamp duties, clearing charges and other related expenses) for all the purchases was approximately S\$48,642.60.

2.13 Timing of purchases

While the Listing Manual does not expressly prohibit any purchase or acquisition of shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. As set out in Section 2.7 of this Letter, the Company will not purchase or

acquire any Shares through Market Purchases or Off-Market Purchases during the period commencing one (1) month immediately preceding the announcement of the Company's half year or full year financial results, as the case may be, and ending on the date of the announcement of the relevant results.

2.14 Tax implications

Shareholders who are in doubt as to their respective tax positions or any tax implications of share buy-backs by the Company, or who may be subject to tax in or outside Singapore, should consult their own professional advisers.

3. ANNUAL GENERAL MEETING

The AGM will be held on Thursday, 27 July 2023 at 10.00 a.m. at 2 Tanjong Penjuru Crescent, #06-02, Singapore 608968 for the purpose of considering and, if thought fit, passing with or without modifications, the resolutions set out in the Notice of AGM, including the Ordinary Resolution in relation to the proposed renewal of the Share Buy-Back Mandate.

4. ABSTENTION FROM VOTING

In accordance with the Share Buy-back Guidance Note set out in Appendix 2, the Concert Party Group:

- (1) Mr. Ng San Tiong Roland;
- (2) Mr. Ng Chwee Cheng; and
- (3) TH Investments Pte Ltd,

will abstain from voting on the renewal of the Share Buy-Back Mandate. The aforementioned Shareholders who are to abstain from voting shall not accept nomination as proxies or otherwise for voting at the AGM on the Ordinary Resolution, unless they have been given specific instructions in the proxy from as to the casting of such votes.

5. DIRECTORS' RECOMMENDATION

Having fully considered the rationale set out in Section 2.2 of this Letter, the Directors (save for Mr. Ng San Tiong Roland who, by virtue of himself being a member of the Concert Party Group, has abstained from making any recommendation in respect of the proposed renewal of the Share Buy-Back Mandate) are of the opinion that the proposed renewal of the Share Buy-Back Mandate is in the best interests of the Company and accordingly recommend that the Shareholders (with the exception of members of the Concert Party Group, who will abstain from voting) vote in favour of the Ordinary Resolution in respect of the proposed renewal of the Share Buy-Back Mandate as set out in the Notice of AGM.

6. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Practice Note 12.1 of the Listing Manual, the Directors collectively and individually accept full responsibility for the accuracy of the information given in this Letter and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Letter constitutes full and true disclosure of all material facts about the proposed renewal of the Share Buy-Back Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Letter misleading. Where information in this Letter has been extracted from published or

otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Letter in its proper form and context.

7. COMPLIANCE WITH GOVERNING LAWS, REGULATIONS AND THE CONSTITUTION

The Company confirms that the terms of the Share Buy-Back Mandate do not contravene any laws and regulations governing the Company and its Constitution.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Company's Constitution and the Annual Report for FY2023 are available for inspection during normal office hours at the registered office of the Company at 2 Tanjong Penjuru Crescent #06-02, Singapore 608968 from the date of this Letter up to and including the date of the AGM.

Shareholders who wish to inspect the documents should contact the Company at the email address: corp@cschl.com.sg to make an appointment.

Yours faithfully

For and on behalf of the Board of Directors of
CSC HOLDINGS LIMITED

Mr. See Yen Tarn
Executive Director/Group Chief Executive Officer