

**FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::HALF YEARLY RESULTS**

## Issuer &amp; Securities

## Issuer/ Manager

CSC HOLDINGS LIMITED

## Securities

CSC HOLDINGS LTD - SG1F84861094 - C06

## Stapled Security

No

## Announcement Details

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Please refer to the attachments for:-

1. Financial Statements Announcement for the six months ended 30 September 2020
2. Condensed Consolidated Interim Financial Information for the six months ended 30 September 2020

## Additional Details

## For Financial Period Ended

30/09/2020

## Attachments

[1HFY21.pdf](#)

[Interim\\_Financial\\_Information.pdf](#)

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# **CSC HOLDINGS LIMITED**

(Company Registration Number: 199707845E)

## **Financial Statements Announcement**

**for the 6 Months Ended 30 September 2020**

**(For the Financial Year Ending 31 March 2021)**

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## Review of the Performance of the Group

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

1HFY21 – for the 6 months ended 30 September 2020

1HFY20 – for the 6 months ended 30 September 2019

#### Review of Results for the 6 Months Ended 30 September 2020

	1HFY21 \$'000	1HFY20 \$'000	Change %
<b>Revenue</b>	52,811	170,427	(69.0)
Cost of Sales	(65,669)	(149,973)	(56.2)
<b>Gross (Loss)/Profit before Government Assistancess</b>	(12,858)	20,454	N.M.
<i>Gross (Loss)/Profit Margins</i>	-24.3%	12.0%	
Government Assistancess	6,406	-	N.M.
<b>Gross (Loss)/Profit</b>	(6,452)	20,454	N.M.
<i>Gross (Loss)/Profit Margins</i>	-12.2%	12.0%	
Other Income	3,314	1,240	>100.0
Operating Expenses	(12,170)	(15,853)	(23.2)
Government Assistancess	2,566	-	N.M.
<b>(Loss)/Profit from Operating Activities</b>	(12,742)	5,841	N.M.
Net Finance Expenses	(876)	(1,848)	(52.6)
Share of Loss of Associates	(98)	(82)	19.5
<b>(Loss)/Profit before Tax</b>	(13,716)	3,911	N.M.
Tax Expense	(367)	(659)	(44.3)
<b>(Loss)/Profit for the period</b>	(14,083)	3,252	N.M.
<b>EBITDA</b>	137	20,604	(99.3)

#### Revenue

The imposition of Circuit Breaker (“CB”) in Singapore from 6 April 2020 to 1 June 2020 resulted in the cessation of work on all the Group’s project sites in Singapore (approximately 2 months of the 6 months under review). The Group’s operations in Malaysia were similarly impacted since the imposition of Movement Control Order (“MCO”) by the Malaysia government from 18 March 2020 to 3 May 2020 for the construction sector (approximately 1 month of the 6 months under review).

Post CB and MCO, resumption of work at project sites were slow and gradual due to various control and safety measures imposed by the relevant government authorities. As a result, the Group recorded very low revenue in June and July 2020. The Group’s revenue for 1HFY21 mainly came from work done in August and September 2020. As of 30 September 2020, more than 80% of the Group’s project sites have resumed work.

Consequently, Group revenue for 1HFY21 declined by 69.0% to \$52.8 million (1HFY20: \$170.4 million).

#### Gross (Loss)/Profit and Gross (Loss)/Profit Margins

In view of the significantly reduced activities, the Group recorded a gross loss of \$12.9 million (1HFY20: gross profit of \$20.5 million) and gross loss margin of -24.3% in 1HFY21 (1HFY20: gross profit margin of 12.0%).

### Gross (Loss)/Profit and Gross (Loss)/Profit Margins (Cont'd)

To better manage our costs, the management aggressively negotiated reduced rental charges from the suppliers/business partners during CB/MCO period. This had defrayed the costs incurred in 1HFY21.

In 1HFY21, the Group received \$6.4 million of COVID-19 support grants from the Singapore government, comprising mainly Jobs Support Scheme and foreign workers' levy rebates. After taking into account the government assistances, the gross loss and gross loss margin were \$6.5 million and -12.2% for 1HFY21.

### Other Income

	1QFY21 \$'000	1QFY20 \$'000	Change %
Gain/(Loss) on Disposal of:			
- Property, Plant & Equipment	250	638	(60.8)
- Assets Held for Sale			
- Leasehold property, 2TPC	2,818	-	N.M.
- Property, Plant & Equipment	(39)	259	N.M.
	3,029	897	>100.0
Other Miscellaneous Income	285	343	(16.9)
<b>Other Income</b>	<b>3,314</b>	<b>1,240</b>	<b>&gt;100.0</b>

The Group recorded higher other income of \$3.3 million for 1HFY21 (1HFY20: \$1.2 million). This took into account the \$2.8 million gain from the disposal of leasehold property located at No 2, Tanjong Penjuru Crescent ("2TPC").

### Operating Expenses

	1HFY21 \$'000	1HFY20 \$'000	Change %
<b>Other Operating Expenses</b>	11,865	14,730	(19.5)
a) Change in Fair Value of Other Investment	-	240	N.M.
b) Expected Credit Losses Reversed on Trade and Other Receivables and Contract Assets	(37)	(205)	(82.0)
c) Impairment Losses (Reversed)/ Recognised on Trade and Other Receivables and Contract Assets	(2)	549	N.M.
d) Exchange Loss/(Gain)	12	(229)	N.M.
e) Write-Down of Plant and Equipment	332	768	(56.8)
<b>Operating Expenses</b>	12,170	15,853	(23.2)
Government Assistances	(2,566)	-	N.M.
<b>Operating Expenses (Net of Government Assistances) *</b>	<b>9,604</b>	<b>15,853</b>	<b>(39.4)</b>

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

### **Operating Expenses (Cont'd)**

Other operating expenses for 1HFY21 declined by 19.5% to \$11.9 million, compared to \$14.7 million in 1HFY20, as the Group implemented a series of cost reduction measures during and post CB/MCO period such as salary reduction for employees earning above certain level and mandatory clearance of annual leave. Members of the Board also voluntarily reduced their directors' fees in line with the Group's senior management.

The \$2.6 million COVID-19 support grants from Singapore government, comprising mainly Jobs Support Scheme and foreign workers' levy rebates, had also helped to defray the operating expenses incurred in 1HFY21.

### **Net Finance Expenses**

	<b>1HFY21 \$'000</b>	<b>1HFY20 \$'000</b>	<b>Change %</b>
Interest Income	69	102	(32.4)
Interest Expenses	(1,553)	(2,275)	(31.7)
<b>Net Interest Expenses</b>	<b>(1,484)</b>	<b>(2,173)</b>	<b>(31.7)</b>
Imputed Interest on Non-Current Assets	809	589	37.4
Interest Expenses on Lease Liabilities	(201)	(264)	(23.9)
<b>Net Finance Expenses</b>	<b>(876)</b>	<b>(1,848)</b>	<b>(52.6)</b>

Net interest expenses for 1HFY21 was lower at \$1.5 million (1HFY20: \$2.2 million) due to reduced usage of project financing facilities as a result of the decrease in business activities. In addition, the repayment of property loan for 2TPC in May 2020 also contributed to the reduction.

### **(Loss)/Profit for the period**

The Group recorded net loss before tax of \$13.7 million in 1HFY21 (1HFY20: net profit of \$3.9 million) due to stoppages of construction activities. However, the Group recorded positive earnings before interest, tax, depreciation and amortization (EBITDA) of \$0.1 million in 1HFY21 (1HFY20: \$20.6 million).

Loss per share for 1HFY21 was 0.50 cent (1HFY20: earnings per share of 0.09 cent).

## STATEMENT OF FINANCIAL POSITION

### **Non-Current Assets**

#### Property, Plant and Equipment

Net book value of property, plant and equipment as at 30 September 2020 was \$127.1 million (31 March 2020: \$132.5 million).

In 1HFY21, the Group took delivery of \$1.3 million worth of new plant and equipment (order placed in end of financial year ended 31 March 2020) as part of our fleet renewal plan. The Group disposed of plant and equipment with carrying values of \$0.3 million and recorded a \$0.3 million gain on the disposal. Depreciation charge for 1HFY21 was \$10.3 million (1HFY20: \$13.5 million).

#### Investment in Associates

Investment in associates increased to \$3.5 million (31 March 2020: \$0.5 million) due to the \$3.8 million investment made on 2TPC Investments Pte Ltd for the redevelopment of leasehold property, 2TPC.

### **Net Current Assets**

As at 30 September 2020, net current assets stood at \$2.3 million (31 March 2020: \$8.1 million). Current ratio (current assets / current liabilities) was 1.01 (31 March 2020: 1.04).

There were no significant changes in the Group's inventories of \$30.9 million as at 30 September 2020 (31 March 2020: \$31.9 million).

Trade and other receivables and contract assets reduced by \$30.9 million (31 March 2020: \$130.7 million). The reduction was due to lower business activities and management's efforts in engaging clients to recover receivables and overdue payments during the CB/MCO period.

Trade and other payables and contract liabilities reduced by \$24.1 million (31 March 2020: \$99.4 million) due to lower level of business activities.

As at 30 September 2020, assets held for sale reduced to \$0.8 million (31 March 2020: \$21.1 million) following the disposal of 2TPC.

### **Loans and Borrowings**

In 1HFY21, the Group drew down term loans under Temporary Bridging Loan Programme which was supported by Enterprise Singapore for working capital purposes in response to the tight cash flow position caused by stoppages of construction activities. However, the Group's loans and borrowings reduced to \$81.3 million as at 30 September 2020 (31 March 2020: \$88.0 million) due to lower usage of project financing facilities as a result of reduced business activities. In addition, the Group also fully repaid the \$3.7 million property loan for 2TPC upon the disposal in May 2020.

The debt to equity ratio as at 30 September 2020 was 0.59 (31 March 2020: 0.58).

### **Equity and Net Asset Value**

During the period under review, the Group received \$1.1 million from the conversion of 111,956,265 warrants pursuant to the Rights cum Warrants Issue on 30 December 2015, which will be expiring on 29 December 2020.

As at 30 September 2020, the Group's equity stood at \$138.5 million (31 March 2020: \$151.6 million), while net asset value per ordinary share was 5.1 cents (31 March 2020: 5.8 cents).



## CASH FLOW

	1HFY21 \$'000	1HFY20 \$'000	Change %
<b>Cash Flow from Operating Activities</b>	6,333	16,047	(60.5)
<b>Cash Flow from Investing Activities</b>	11,897	(2,616)	N.M.
<b>Cash Flow from Financing Activities</b>	(11,440)	(12,517)	(8.6)
<b>Cash and Cash Equivalents</b>	20,994	8,124	>100.0

### **Cash Flow from Operating Activities**

The Group was able to generate net cash inflow of \$6.3 million from operating activities for 1HFY21 (1HFY20: \$16.0 million), despite the net loss recorded. This was a result of focused working capital management and efforts to expedite the collections of receivables.

### **Cash Flow from Investing Activities**

The Group recorded a net cash inflow from investing activities of \$11.9 million for 1HFY21, compared to a net cash outflow of \$2.6 million in 1HFY20, mainly due to the receipt of \$16.9 million from the disposal of 2TPC.

At the same time, the Group invested an initial capital of \$3.8 million in the redevelopment of 2TPC.

### **Cash Flow from Financing Activities**

The Group recorded net cash outflow from financing activities of \$11.4 million for 1HFY21 (1HFY20: \$12.5 million), following the net repayment of bank borrowings during the period.

### **Cash and Cash Equivalents**

Taking into consideration all the above, the Group's cash and cash equivalents stood at \$21.0 million as at 30 September 2020 (31 March 2020: \$8.1 million).

## Outlook

For the first 6 months of the financial year, the Group incurred losses mainly due to Circuit Breaker (“CB”) and Movement Control Order (“MCO”) stoppages in Singapore and Malaysia respectively and slow resumption of work post CB/MCO period.

Notwithstanding the CB/MCO and gradual resumption of work, we are pleased to report that the Group secured approximately \$70 million worth of projects in 1HFY21. As at 4 November 2020, the Group’s order book was approximately \$170 million (26 June 2020: \$160 million).

Due to safety and various control measures required, productions at all project sites are expected to be slower than pre-CB/MCO period. There will be added costs in order to comply with all these measures required.

For September 2020, more than 80% of the Group’s project sites have resumed work. The Group’s remaining project sites have resumed work in October 2020. The Group expects to complete the majority of its current order book within the next six months.

Capital and cash flow management remain key priorities as the Group maintains a tight rein on costs.

## Consolidated Statement of Profit or Loss for the 6 Months ended 30 September 2020

	Note	Group		
		6 months ended		Change
		30-Sep-20	30-Sep-19	
		\$'000	\$'000	%
<b>Revenue</b>		52,811	170,427	(69.0)
Cost of sales	A	(59,263)	(149,973)	(60.5)
<b>Gross (loss)/profit</b>		(6,452)	20,454	N.M.
Other income	B	3,314	1,240	>100.0
Operating expenses				
- Distribution expenses		(274)	(348)	(21.3)
- Administrative expenses	C	(9,006)	(14,059)	(35.9)
- Other operating expenses	D	(324)	(1,446)	(77.6)
		(9,604)	(15,853)	(39.4)
<b>Results from operating activities</b>		(12,742)	5,841	N.M.
Net finance expenses				
- Finance income		878	691	27.1
- Finance expenses		(1,754)	(2,539)	(30.9)
		(876)	(1,848)	(52.6)
Share of loss of associates (net of tax)		(98)	(82)	19.5
<b>(Loss)/Profit before tax</b>		(13,716)	3,911	N.M.
Tax expense	E	(367)	(659)	(44.3)
<b>(Loss)/Profit for the period</b>		(14,083)	3,252	N.M.
<b>Attributable to:</b>				
Owners of the Company		(13,223)	2,181	N.M.
Non-controlling interests		(860)	1,071	N.M.
<b>(Loss)/Profit for the period</b>		(14,083)	3,252	N.M.

Gross (loss)/profit margin

-12.2%

12.0%

Net (loss)/profit margin

-26.7%

1.9%

## Consolidated Statement of Comprehensive Income for the 6 Months ended 30 September 2020

	Group		Change
	6 months ended		
	30-Sep-20	30-Sep-19	
	\$'000	\$'000	%
<b>(Loss)/Profit for the period</b>	(14,083)	3,252	N.M.
<b>Other comprehensive (expense)/income</b>			
<b>Items that are or may be reclassified</b>			
<b>subsequently to profit or loss:</b>			
Foreign currency translation differences			
- foreign operations	(50)	179	N.M.
<b>Other comprehensive (expense)/income for the period,</b>			
<b>net of tax</b>	(50)	179	N.M.
<b>Total comprehensive (expense)/income for the period</b>	(14,133)	3,431	N.M.
<b>Attributable to:</b>			
Owners of the Company	(13,236)	2,174	N.M.
Non-controlling interests	(897)	1,257	N.M.
<b>Total comprehensive (expense)/income for the period</b>	(14,133)	3,431	N.M.

## Statement of Financial Position as at 30 September 2020

DESCRIPTION	Note	Group		Company	
		30-Sep-20	31-Mar-20	30-Sep-20	31-Mar-20
		\$'000	\$'000	\$'000	\$'000
<b>Non-current assets</b>					
Property, plant and equipment	1	127,076	132,466	-	3
Right-of-use assets		6,341	8,159	-	-
Goodwill		1,092	1,092	-	-
Investment property		258	187	-	-
Investments in:					
- subsidiaries		-	-	102,954	102,954
- associates		3,527	531	-	-
Other investments		165	165	-	-
Contract assets		13,609	15,780	-	-
Trade and other receivables		2,836	3,114	10,613	10,613
Deferred tax assets		43	89	301	301
		154,947	161,583	113,868	113,871
<b>Current assets</b>					
Inventories	2	30,870	31,865	-	-
Contract assets		48,467	61,935	-	-
Trade and other receivables		51,336	68,776	14,744	13,561
Tax recoverable		383	128	-	-
Cash and cash equivalents		26,135	19,179	4,673	265
		157,191	181,883	19,417	13,826
Assets held for sale		811	21,114	-	-
		158,002	202,997	19,417	13,826
<b>Total assets</b>		312,949	364,580	133,285	127,697

**Statement of Financial Position as at 30 September 2020 (cont'd)**

DESCRIPTION	Note	Group		Company	
		30-Sep-20	31-Mar-20	30-Sep-20	31-Mar-20
		\$'000	\$'000	\$'000	\$'000
<b>Equity attributable to owners of the Company</b>					
Share capital		85,509	84,389	85,509	84,389
Reserves		24,867	38,103	29,741	30,865
		110,376	122,492	115,250	115,254
<b>Non-controlling interests</b>		28,079	29,126	-	-
<b>Total equity</b>		138,455	151,618	115,250	115,254
<b>Non-current liabilities</b>					
Loans and borrowings	3	14,732	12,446	2,750	-
Lease liabilities *		1,469	3,344	-	-
Deferred tax liabilities		2,546	2,236	-	-
		18,747	18,026	2,750	-
<b>Current liabilities</b>					
Loans and borrowings	3	66,565	75,522	250	5
Lease liabilities *		5,042	4,956	-	-
Contract liabilities		1,334	232	-	-
Trade and other payables		74,025	99,209	15,035	12,438
Provisions		8,252	7,614	-	-
Current tax payable		529	721	-	-
		155,747	188,254	15,285	12,443
Lease liabilities directly associated with the assets held for sale		-	6,682	-	-
		155,747	194,936	15,285	12,443
<b>Total liabilities</b>		174,494	212,962	18,035	12,443
<b>Total equity and liabilities</b>		312,949	364,580	133,285	127,697

\* Relating to Right-of-use assets.

## Consolidated Statement of Cash Flows for the 6 Months ended 30 September 2020

	6 months ended	
	<u>30-Sep-20</u>	<u>30-Sep-19</u>
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
(Loss)/Profit for the period	(14,083)	3,252
Adjustments for:		
Bad debts written back	(90)	-
Change in fair value of other investment	-	240
Depreciation of:		
- property, plant and equipment	10,255	13,510
- right-of-use assets	2,722	1,335
Gain on dilution of interest in a subsidiary	(15)	-
Gain on disposal of:		
- property, plant and equipment	(250)	(638)
- assets held for sale	(2,779)	(259)
Expected credit losses reversed on trade and other receivables and contract assets	(37)	(205)
Impairment losses (reversed)/recognised on trade and other receivables and contract assets	(2)	549
Inventories written off	-	52
Net finance expenses	876	1,848
Property, plant and equipment written off	-	28
Provisions for:		
- onerous contracts	-	988
- rectification costs	936	2,449
Share of loss of associates (net of tax)	98	82
Write-down of plant and equipment	332	768
Tax expense	367	659
<b>Operating activities before working capital changes</b>	<b>(1,670)</b>	<b>24,658</b>
Changes in working capital:		
Inventories	(568)	(550)
Contract assets, trade and other receivables and tax recoverable	33,835	(9,227)
Contract liabilities, trade and other payables and provisions	(24,988)	1,445
Cash generated from operations	6,609	16,326
Taxes paid	(345)	(381)
Interest received	69	102
<b>Net cash generated from operating activities</b>	<b>6,333</b>	<b>16,047</b>

## Consolidated Statement of Cash Flows for the 6 Months ended 30 September 2020 (cont'd)

	6 months ended	
	<u>30-Sep-20</u>	<u>30-Sep-19</u>
	\$'000	\$'000
<b>Cash flows from investing activities</b>		
Purchase of:		
- property, plant and equipment	(1,918)	(4,975)
- investment property	(90)	-
Proceeds from disposal of:		
- property, plant and equipment	575	1,444
- assets held for sale	17,130	915
Investment in an associate	(3,800)	-
<b>Net cash generated from/(used in) investing activities</b>	<u>11,897</u>	<u>(2,616)</u>
<b>Cash flows from financing activities</b>		
Interest paid	(1,793)	(2,491)
Dividends paid:		
- non-controlling interests of a subsidiary	(150)	-
Proceeds from:		
- bank loans and finance lease loans	23,207	16,611
- bills payable	30,358	87,099
- issue of shares from exercise of warrants, net of expenses	1,120	671
Repayment of:		
- bank loans	(17,799)	(15,305)
- bills payable	(38,855)	(92,483)
- finance lease liabilities	(4,815)	(5,396)
- lease liabilities *	(2,713)	(1,223)
<b>Net cash used in financing activities</b>	<u>(11,440)</u>	<u>(12,517)</u>
<b>Net increase in cash and cash equivalents</b>	6,790	914
Cash and cash equivalents at 1 April	14,302	7,193
Effect of exchange rate changes on balances held in foreign currencies	(98)	17
<b>Cash and cash equivalents at 30 September</b>	<u>20,994</u>	<u>8,124</u>
Comprising:		
Cash and cash equivalents	26,135	16,447
Bank overdrafts	(4,991)	(8,323)
	<u>21,144</u>	<u>8,124</u>
Less:		
Fixed deposits pledged as security for bank facilities	(150)	-
Cash and cash equivalents in the consolidated cash flow statement	<u>20,994</u>	<u>8,124</u>

\* Relating to Right-of-use assets.



## Statements of Changes in Equity for the 6 Months ended 30 September 2020

<u>Group</u>	Share capital	Capital reserve	Reserve for own shares	Reserve on consolidation	Foreign currency translation reserve	Revaluation reserve	Other reserve	Accumulated profits	Total attributable to owners of the Company	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 April 2019</b>	81,635	17,798	(2,354)	116	(6,141)	11,719	(881)	13,011	114,903	27,448	142,351
<b>Total comprehensive (expense)/income for the period</b>											
Profit for the period	-	-	-	-	-	-	-	2,181	2,181	1,071	3,252
<b>Other comprehensive (expense)/income</b>											
Foreign currency translation differences	-	-	-	-	(7)	-	-	-	(7)	186	179
Transfer of revaluation surplus of property, plant and equipment	-	-	-	-	-	(159)	-	159	-	-	-
Total other comprehensive (expense)/income	-	-	-	-	(7)	(159)	-	159	(7)	186	179
Total comprehensive (expense)/income for the period	-	-	-	-	(7)	(159)	-	2,340	2,174	1,257	3,431
<b>Transactions with owners of the Company, recorded directly in equity</b>											
<b>Contributions by and distributions to owners</b>											
Issue of shares from exercise of warrants	671	-	-	-	-	-	-	-	671	-	671
Total transactions with owners of the Company	671	-	-	-	-	-	-	-	671	-	671
<b>At 30 September 2019</b>	82,306	17,798	(2,354)	116	(6,148)	11,560	(881)	15,351	117,748	28,705	146,453

## Statements of Changes in Equity for the 6 Months ended 30 September 2020 (cont'd)

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

## Statements of Changes in Equity for the 6 Months ended 30 September 2020 (cont'd)

<u>Company</u>	<u>Share capital</u>	<u>Capital reserve</u>	<u>Reserve for own shares</u>	<u>Accumulated profits</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 April 2019</b>	81,635	17,798	(2,354)	32,875	129,954
Total comprehensive income for the period	-	-	-	2,129	2,129
<b>Transactions with owners of the Company, recorded directly in equity</b>					
Issue of shares from exercise of warrants	671	-	-	-	671
Total transactions with owners of the Company	671	-	-	-	671
<b>At 30 September 2019</b>	82,306	17,798	(2,354)	35,004	132,754
<b>At 1 April 2020</b>	84,389	17,798	(2,354)	15,421	115,254
Total comprehensive expense for the period	-	-	-	(1,124)	(1,124)
<b>Transactions with owners of the Company, recorded directly in equity</b>					
Issue of shares from exercise of warrants	1,120	-	-	-	1,120
Total transactions with owners of the Company	1,120	-	-	-	1,120
<b>At 30 September 2020</b>	85,509	17,798	(2,354)	14,297	115,250

Note:

Capital reserve

Capital Reduction Reserve

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

The Capital Reduction Reserve shall not be treated or used by the Company as a distributable reserve for dividend purposes in accordance with Article 142 of the Articles of Association of the Company and the Companies Act, Chapter 50 of Singapore.

## Notes to the Financial Statements

### Notes to the Consolidated Statement of Profit or Loss

The Group is reporting its first half results for the period from 1 April 2020 to 30 September 2020 with comparative figures for the 6 months period from 1 April 2019 to 30 September 2019.

#### A Cost of sales

Group	
6 months ended	
30/09/2020	30/09/2019
\$'000	\$'000

Cost of sales includes the following items:

Depreciation of:		
- property, plant and equipment	9,855	12,876
- right-of-use assets <sup>(1)</sup>	1,837	1,039
Government Assistances	(6,406)	-
Inventories written off	-	52
Property, plant and equipment written off	-	11
Provisions for:		
- onerous contracts	-	988
- rectification costs	936	2,449

<sup>(1)</sup> Arising from application of SFRS(I) 16 Leases.

#### B Other income

Group	
6 months ended	
30/09/2020	30/09/2019
\$'000	\$'000

Other income includes the following items:

Gain on dilution of interest in a subsidiary	15	-
Gain on disposal of:		
- property, plant and equipment	250	638
- assets held for sale	2,779	259

#### C Administrative expenses

Group	
6 months ended	
30/09/2020	30/09/2019
\$'000	\$'000

Administrative expenses includes the following items:

Depreciation of:		
- property, plant and equipment	400	634
- right-of-use assets <sup>(1)</sup>	885	296
Exchange loss/(gain)	12	(229)
Government Assistances	(2,566)	-

<sup>(1)</sup> Arising from application of SFRS(I) 16 Leases.

## Notes to the Consolidated Statement of Profit or Loss (cont'd)

### D Other operating expenses

	Group	
	6 months ended	
	30/09/2020	30/09/2019
	\$'000	\$'000
Other operating expenses includes the following items:		
Bad debts written back	(90)	-
Change in fair value of other investment	-	240
Expected credit losses reversed on trade and other receivables and contract assets <sup>(1)</sup>	(37)	(205)
Impairment losses (reversed)/recognised on trade and other receivables and contract assets <sup>(2)</sup>	(2)	549
Property, plant and equipment written off	-	17
Write-down of plant and equipment	332	768

<sup>(1)</sup> Arising from application of SFRS(I) 9 *Financial Instruments* and is reviewed on a periodic basis.

<sup>(2)</sup> The Group's accounts receivables position is reviewed on a periodic basis. Impairment losses are made where required, after assessing the probability of recovering the accounts receivables. These impairment losses do not relate to any major customers. Amounts written back are cash recovered from receivables previously impaired.

### E Tax expense

	Group	
	6 months ended	
	30/09/2020	30/09/2019
	\$'000	\$'000
Current tax expense		
- current period	44	446
- over provided in prior years	(33)	(4)
	11	442
Deferred tax expense		
- current period	(63)	(8)
- under provided in prior years	419	225
	356	217
	367	659

## Notes to the Consolidated Statement of Profit or Loss (cont'd)

### F Interested person transactions

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

Interested person transactions carried out during the 6 months ended 30 September 2020 under Chapter 9 of the Listing Manual are as follows:

Name of interested person	Aggregate value of all interested person transactions during the period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	6 months ended 30/09/2020 \$'000	6 months ended 30/09/2020 \$'000
Tat Hong HeavyEquipment (Pte.) Ltd <sup>(1)</sup>	832	Nil
Tat Hong Plant Leasing Pte Ltd <sup>(1)</sup>	172	Nil

Note:

<sup>(1)</sup> Tat Hong HeavyEquipment (Pte.) Ltd. and Tat Hong Plant Leasing Pte Ltd are related corporations of TH Investments Pte Ltd, a substantial shareholder of the Company.

## Notes to the Statement of Financial Position

### 1 Property, plant and equipment

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

	Group	
	As at 30/09/2020	As at 31/03/2020
	\$'000	\$'000
<u>Cost/Valuation</u>		
Opening balance	382,396	367,758
Additions	1,317	12,661
Reclassification from inventories	4,188	12,664
Revaluation	-	(681)
Elimination of accumulated depreciation against cost on revaluation	-	(1,046)
Transfer to inventories	(1,339)	(4,107)
Reclassification from assets held for sale	-	3,145
Disposals/Write-offs	(1,154)	(8,603)
Translation differences on consolidation	(308)	605
Closing balance	<u>385,100</u>	<u>382,396</u>
<u>Accumulated depreciation and impairment losses</u>		
Opening balance	249,930	230,657
Depreciation charge	10,255	24,796
Impairment loss	60	236
Elimination of accumulated depreciation against cost on revaluation	-	(1,046)
Transfer to inventories	(1,269)	(2,769)
Reclassification from assets held for sale	-	2,443
Disposals/Write-offs	(829)	(4,477)
Translation differences on consolidation	(123)	90
Closing balance	<u>258,024</u>	<u>249,930</u>
Carrying amount	<u>127,076</u>	<u>132,466</u>

### 2 Inventories

	Group	
	As at 30/09/2020	As at 31/03/2020
	\$'000	\$'000
Equipment and machinery held for sale	18,366	17,920
Spare parts	10,701	11,925
Construction materials on sites	1,803	2,020
	<u>30,870</u>	<u>31,865</u>

## Notes to the Statement of Financial Position (cont'd)

### 3 Aggregate amount of Group's borrowings and debt securities

#### Amount repayable in one year or less, or on demand

As at 30/09/2020	
Secured	Unsecured
\$'000	\$'000
13,098	53,467

As at 31/03/2020	
Secured	Unsecured
\$'000	\$'000
15,665	59,857

#### Amount repayable after one year

As at 30/09/2020	
Secured	Unsecured
\$'000	\$'000
8,643	6,089

As at 31/03/2020	
Secured	Unsecured
\$'000	\$'000
12,446	-

#### Details of any collateral

The Group's total borrowings were \$81.3 million (31 March 2020: \$88.0 million) and consist of overdrafts, bills payable, finance leases and bank loans. Included in the borrowings repayable within one year were bills payable amounting to \$16.6 million (31 March 2020: \$25.1 million).

The borrowings are secured by legal mortgages over the Group's assets listed below and guaranteed by the Company, out of which \$10,353,000 (31 March 2020: \$16,862,000) are also guaranteed by a related corporation:

- a) \$15,652,000 (31 March 2020: \$19,475,000) in respect of plant and machinery acquired under hire purchase arrangements;
- b) \$4,632,000 (31 March 2020: \$8,482,000) which are secured by a charge over the leasehold land and property;
- c) \$77,000 (31 March 2020: \$154,000) which are secured by a mortgage over the plant and machinery; and
- d) \$1,380,000 (31 March 2020: \$Nil) which are secured by a charge over the fixed deposit of the Group.



## Notes to the Statement of Changes in Equity

### 1 Changes in the Company's Share Capital

As at 30 September 2020, the issued and fully paid-up share capital of the Company was 2,730,266,601 (31 March 2020: 2,618,310,336) ordinary shares. Movement in the Company's issued and fully paid-up share capital during the 6 months ended 30 September 2020 was as follows:

	Number of shares	\$'000
As at 1 April 2020	2,618,310,336	84,389
Exercise of warrants	111,956,265	1,120
As at 30 September 2020	<u>2,730,266,601</u>	<u>85,509</u>

The total number of ordinary shares issued (excluding treasury shares) as at 30 September 2020 was 2,709,746,601 (31 March 2020: 2,597,790,336) ordinary shares.

During the 6 months ended 30 September 2020, 111,956,265 warrants were exercised at \$0.01 each pursuant to the Rights cum Warrants Issue on 30 December 2015. As at 30 September 2020, there were outstanding warrants of 919,424,570 (30 September 2019: 1,239,678,225) for conversion into ordinary shares, representing 33.9% (30 September 2019: 51.9%) of the total number of ordinary shares issued (excluding treasury shares). 45,730,230 warrants were exercised at \$0.01 each subsequent to 30 September 2020, the details are set out in "Subsequent Event" note on page 26.

There were no share buybacks for the 6 months ended 30 September 2020. There were 20,520,000 shares held as treasury shares as at 30 September 2020 (30 September 2019: 20,520,000 shares), representing 0.8% (30 September 2019: 0.9%) of the total number of ordinary shares issued (excluding treasury shares). There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at 30 September 2020.

There were no subsidiary holdings in the Company as at 30 September 2020. There were no sales, transfers, cancellation and/or use of subsidiary holdings as at 30 September 2020.

## Audit

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

## Accounting Policies

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 March 2020, except for the adoption of new/revised SFRS(I) applicable for the financial period beginning on 1 April 2020 as follows:

- Amendments to SFRS(I) 3 *Definition of a Business*;
- Amendments to SFRS(I) 1-1 and SFRS(I) 1-8 *Definition of Material*; and
- Various SFRS(I): *Amendments to references to the Conceptual Framework in SFRS(I) standards, illustrative examples, implementation guidance and SFRS(I) practice statements*.

The Group does not expect the application of the above amendments to SFRS(I) to have a significant impact on the financial statements.

## (Loss)/Earnings Per Share

### (a) Basic (loss)/earnings per ordinary share

	<b>6 months ended</b>	
	<b>30/09/2020</b>	<b>30/09/2019</b>
Based on the weighted average number of ordinary shares on issue	(0.50) cents	0.09 cents
	<b>6 months ended</b>	
	<b>30/09/2020</b>	<b>30/09/2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Basic (loss)/earnings per ordinary share is based on:		
Net (loss)/profit attributable to ordinary shareholders	(13,223)	2,181
	<b>6 months ended</b>	
	<b>30/09/2020</b>	<b>30/09/2019</b>
Weighted average number of:		
Issued ordinary shares at beginning of the period	2,618,310,336	2,342,882,546
Issue of shares via exercise of warrants	34,066,249	10,475,558
Ordinary shares held as treasury shares	(20,520,000)	(20,520,000)
Weighted average number of ordinary shares used to compute (loss)/earnings per ordinary share	2,631,856,585	2,332,838,104

### (b) Diluted (loss)/earnings per ordinary share

	<b>6 months ended</b>	
	<b>30/09/2020</b>	<b>30/09/2019</b>
On a fully diluted basis	(0.50) cents	0.07 cents
	<b>6 months ended</b>	
	<b>30/09/2020</b>	<b>30/09/2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Diluted (loss)/earnings per ordinary share is based on:		
Net (loss)/profit attributable to ordinary shareholders	(13,223)	2,181

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

## (Loss)/Earnings Per Share (cont'd)

	6 months ended	
	30/09/2020	30/09/2019
Weighted average number of: Ordinary shares used in the calculation of basic (loss)/earnings per ordinary share	2,631,856,585	2,332,838,104
Potential ordinary shares issuable under exercise of warrants	*	642,719,756
Weighted average number of ordinary shares issued and potential shares assuming full conversion	2,631,856,585	2,975,557,860

\* The Group was in a loss position for the 6 months ended 30 September 2020, the warrants were not included in the computation of diluted loss per ordinary share as these potential ordinary shares were anti-dilutive.

## Net Asset Value

	As at 30/09/2020	As at 31/03/2020
<b>Group</b> Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of the period reported on	5.1 cents	5.8 cents
<b>Company</b> Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of the period reported on	4.3 cents	4.4 cents

The net asset value per ordinary share is calculated based on net asset value of \$138.5 million (31 March 2020: \$151.6 million) over the total number of ordinary shares issued (excluding treasury shares) as at 30 September 2020 of 2,709,746,601 (31 March 2020: 2,597,790,336) ordinary shares.

## Variance from Prospect Statement

The Group's unaudited consolidated financial statements for the 6 months ended 30 September 2020 are in line with the commentary disclosed in the profit guidance announcement dated 16 October 2020.

## Dividend

No dividend has been declared/recommended in the current financial period and the corresponding period of the immediately preceding financial year, so as to conserve the Group's cash position.

## Confirmation

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

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

## Subsequent Event

Subsequent to 30 September 2020, 45,730,230 warrants were exercised at \$0.01 each pursuant to the Rights cum Warrants Issue on 30 December 2015.

The movement in the Company's outstanding warrants subsequent to 30 September 2020 was as follows:

	<b>Number of warrants</b>
As at 1 October 2020	919,424,570
Exercise of warrants	<u>(45,730,230)</u>
As at 5 November 2020	<u>873,694,340</u>

**By Order of the Board**

**Lee Quang Loong**  
**Chief Financial Officer / Company Secretary**  
**5 November 2020**



**CSC Holdings Limited and its subsidiaries**  
**Registration Number: 199707845E**

**Condensed Consolidated Interim Financial Information**  
**Six months ended 30 September 2020**



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

The Board of Directors  
CSC Holdings Limited

### ***Introduction***

We have reviewed the accompanying condensed consolidated statement of financial position of CSC Holdings Limited ("the Company") and its subsidiaries (the "Group") as at 30 September 2020 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes (the "Condensed Consolidated Interim Financial Information"). Management is responsible for the preparation and presentation of this Condensed Consolidated Interim Financial Information in accordance with Singapore Financial Reporting Standard (International) ("SFRS(I)") 1-34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this Condensed Consolidated Interim Financial Information based on our review.

### ***Scope of review***

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

### ***Conclusion***

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



***Restriction on use***

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

KPMG LLP

**KPMG LLP**  
*Public Accountants and  
Chartered Accountants*

**Singapore**  
5 November 2020

**Condensed consolidated statement of financial position**  
**As at 30 September 2020**

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

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



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

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

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

**Condensed consolidated statement of comprehensive income**  
**For the six months ended 30 September 2020**

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

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

**Condensed consolidated statement of changes in equity**  
**For the six months ended 30 September 2020**

<b>Group</b>	<b>Share capital \$'000</b>	<b>Capital reserve \$'000</b>	<b>Reserve for own shares \$'000</b>	<b>Reserve on consolidation \$'000</b>	<b>Other reserve \$'000</b>	<b>Foreign currency translation reserve \$'000</b>	<b>Revaluation reserve \$'000</b>	<b>Accumulated profits \$'000</b>	<b>Total attributable to owners of the Company \$'000</b>	<b>Non-controlling interests \$'000</b>	<b>Total equity \$'000</b>
At 1 April 2019	81,635	17,798	(2,354)	116	(881)	(6,141)	11,719	13,011	114,903	27,448	142,351
<b>Total comprehensive (expense)/income for the period</b>											
Profit for the period	–	–	–	–	–	–	–	2,181	2,181	1,071	3,252
<b>Other comprehensive (expense)/income</b>											
Foreign currency translation differences	–	–	–	–	–	(7)	–	–	(7)	186	179
Transfer of revaluation surplus of property, plant and equipment	–	–	–	–	–	–	(159)	159	–	–	–
Total other comprehensive (expense)/income	–	–	–	–	–	(7)	(159)	159	(7)	186	179
Total comprehensive (expense)/income for the period	–	–	–	–	–	(7)	(159)	2,340	2,174	1,257	3,431
<b>Transactions with owners of the Company, recorded directly in equity</b>											
<b>Contributions by and distributions to owners</b>											
Issue of shares from exercise of warrants	671	–	–	–	–	–	–	–	671	–	671
Total transactions with owners of the Company	671	–	–	–	–	–	–	–	671	–	671
At 30 September 2019	82,306	17,798	(2,354)	116	(881)	(6,148)	11,560	15,351	117,748	28,705	146,453

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

**Condensed consolidated statement of changes in equity (continued)**  
**For the six months ended 30 September 2020**

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

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

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

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

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

**Condensed consolidated statement of cash flows (cont'd)**  
**For the six months ended 30 September 2020**

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

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

**Condensed consolidated statement of cash flows (cont'd)**  
**For the six months ended 30 September 2020**

During the financial period, the Group acquired property, plant and equipment with an aggregate cost of \$1,317,000 (30 September 2019: \$5,979,000) of which \$Nil (30 September 2019: \$740,000) were acquired by means of hire purchase arrangements. Cash payments of \$1,918,000 (30 September 2019: \$4,975,000) were made to purchase property, plant and equipment, out of which \$881,000 (30 September 2019: \$883,000) was for the unpaid liabilities for prior year's acquisition of property, plant and equipment. At the reporting date, the unpaid liabilities from the purchase of property, plant and equipment amounted to \$280,000 (30 September 2019: \$1,147,000).

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

## **Notes to the condensed consolidated interim financial information**

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

The condensed consolidated interim financial information were authorised for issue by the directors on 5 November 2020.

### **1 Domicile and activities**

CSC Holdings Limited (“the Company”) is a company domiciled in the Republic of Singapore. The condensed consolidated interim financial information as at and for the six months ended 30 September 2020, comprise the Company and its subsidiaries (together referred to as the “Group”). The Group is primarily involved in piling works, civil engineering works, trading and leasing of heavy foundation equipment, soil investigation and surveying works.

#### **1.1 Basis of preparation**

The condensed consolidated interim financial information of the Group has been prepared on a condensed basis in accordance with the Singapore Financial Reporting Standard (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting*. They do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 March 2020.

The condensed consolidated interim financial information, which do not include the full disclosures of the type normally included in full annual financial statements prepared in accordance with the SFRS(I)s, are to be read in conjunction with the last audited financial statements for the year ended 31 March 2020.

Accounting policies and methods of computation used in the condensed consolidated interim financial information are consistent with those applied in the financial statements for the year ended 31 March 2020, which were prepared in accordance with SFRS(I)s.

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

#### **1.2 Use of judgements and estimates**

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



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

## **2 Seasonal operations**

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

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

## **3 Property, plant and equipment**

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

## **4 Investment in associates**

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

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

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

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

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

## 5 Assets held for sale

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

## 6 Share capital

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

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

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

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

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

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

## 7 Loans and borrowings

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

The loans and borrowings are guaranteed by the Company, out of which \$10,353,000 (31 March 2020: \$16,862,000) are also guaranteed by a related corporation.

The secured bank loans and lease liabilities are secured by:

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

## 8 Revenue

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

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

### Disaggregation of revenue

In the following table, revenue is disaggregated by geographical regions and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (see note 11).

	<b>Foundation and geotechnical engineering</b>		<b>Sales and lease of equipment</b>		<b>Total reportable segments</b>	
	<b>Six months ended 30 September</b>		<b>Six months ended 30 September</b>		<b>Six months ended 30 September</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Geographical regions</b>						
Singapore	36,022	130,960	3,877	10,086	39,899	141,046
Malaysia	8,144	17,090	213	1,495	8,357	18,585
Thailand	–	–	340	1,060	340	1,060
India	–	–	452	1,200	452	1,200
Other regions	–	–	161	1,127	161	1,127
	<b>44,166</b>	<b>148,050</b>	<b>5,043</b>	<b>14,968</b>	<b>49,209</b>	<b>163,018</b>
<b>Major revenue streams</b>						
Construction contracts	44,041	147,765	–	–	44,041	147,765
Trading of building products and plant and equipment	125	285	5,043	14,968	5,168	15,253
	<b>44,166</b>	<b>148,050</b>	<b>5,043</b>	<b>14,968</b>	<b>49,209</b>	<b>163,018</b>
<b>Timing of revenue recognition</b>						
Products transferred at a point in time	125	285	4,879	14,591	5,004	14,876
Products and services transferred over time	44,041	147,765	164	377	44,205	148,142
	<b>44,166</b>	<b>148,050</b>	<b>5,043</b>	<b>14,968</b>	<b>49,209</b>	<b>163,018</b>

## 9 (Loss)/Profit for the period

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

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Bad debts written back	(90)	–
Change in fair value of other investment	–	240
Depreciation of:		
- property, plant and equipment	10,255	13,510
- right-of-use assets	2,722	1,335
Expenses relating to short-term leases	4,372	9,859
Foreign exchange loss/(gain)	12	(229)
Gain on dilution of interest in a subsidiary	(15)	–
Gain on disposal of:		
- property, plant and equipment	(250)	(638)
- assets held for sale	(2,779)	(259)
Government grants deducted from:		
- cost of sales	(6,406)	–
- administrative expenses	(2,566)	(15)
Impairment losses recognised/(reversed) on:		
- property, plant and equipment	60	–
- trade and other receivables and contract assets	(39)	344
Interest on lease liabilities	201	264
Inventories written down	272	768
Inventories written off	–	52
Property, plant and equipment written off	–	28
Provision for onerous contracts	–	988
Provision for rectification costs	936	2,449
	<b>936</b>	<b>2,449</b>

## 10 (Loss)/Earnings per share

### (a) Basic (loss)/earnings per share

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Basic (loss)/earnings per share is based on:		
Net (loss)/profit attributable to ordinary shareholders	(13,223)	2,181
	<b>2,631,857</b>	<b>2,332,838</b>

  

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2020</b>	<b>2019</b>
	<b>No. of shares</b>	<b>No. of shares</b>
	<b>'000</b>	<b>'000</b>
Weighted average number of shares	<b>2,631,857</b>	<b>2,332,838</b>

**(b) Diluted (loss)/earnings per share**

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

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

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

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2020</b>	<b>2019</b>
	<b>No. of shares</b>	<b>No. of shares</b>
	<b>'000</b>	<b>'000</b>
Weighted average number of shares	2,631,857*	2,975,558

\* As the Group was in a loss position, the outstanding warrants were not included in the computation of diluted loss per share because these potential ordinary shares were anti-dilutive.

## 11 Segmental information

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

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

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

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

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

**Information about reportable segments**

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

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

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

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



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

## 12 Dividends

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

## 13 Commitment

Commitment not reflected in the financial statements at the reporting date is as follows:

### Capital commitments

As at reporting date, capital expenditure contracted for but not recognised in the financial statements is as follows:

	<b>30 September 2020 \$'000</b>	<b>31 March 2020 \$'000</b>
Capital commitment in respect of:		
- acquisition of property, plant and equipment	72	644
	72	644

## 14 Related parties

### *Key management personnel compensation*

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

Key management personnel compensation comprised:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Short-term employee benefits	2,637	2,701
Post-employment benefits (including contributions to defined contribution plans)	118	109
	2,755	2,810

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

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Professional fees	15	15

***Other related party transactions***

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

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

## **15 Accounting estimates and judgements**

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

The selection of critical accounting policies, the judgements and other uncertainties affecting application of those policies and the sensitivity of reported results to changes in condition and assumptions are factors to be considered when reviewing the condensed consolidated interim financial information. The Group believes the critical accounting policies involving the most significant judgements and estimates used in the preparation of the condensed consolidated interim financial information are consistent with those found in the last audited financial statements for the year ended 31 March 2020.

### ***Fair value hierarchy***

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

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

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

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

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

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

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

## **16 Fair value of financial instruments**

### ***Fair values versus carrying amounts***

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

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

\* Excludes prepayments

\*\* Excludes deposits received and deferred grant income

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

\* Excludes prepayments

\*\* Excludes deposits received and deferred grant income

### ***Measurement of fair values***

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

#### ***Debt investments and equity investments***

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

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

#### ***Non-current trade and other receivables***

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

#### ***Floating interest rate bank loans***

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

#### ***Other financial assets and liabilities***

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

### ***Interest rates used in determining fair values***

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

	<b>30 September 2020</b>	<b>31 March 2020</b>
	%	%
Non-current trade and other receivables and non-current contract assets	4.88	4.88

#### ***Transfers between Levels 1, 2 and 3***

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

*Level 3 fair values*

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

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

## **17 Adoption of new standards**

### **Applicable to financial statements for the year 2021 and thereafter**

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

#### **Applicable to 2021 financial statements**

- Amendments to SFRS(I) 3 *Business Combinations*
- Amendments to SFRS(I) 1-1 *Presentation of Financial Statements and SFRS(I) 1-8 Accounting Policies, Changes in Accounting Estimates and Errors*
- Amendments to References to the Conceptual Framework in SFRS(I) Standards
- *Interest Rate Benchmark Reform* (Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7)

#### **Applicable to 2022 financial statements**

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

#### **Applicable to 2024 financial statements**

- SFRS(I) 17 *Insurance Contracts*

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