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## Issuer & Securities

### Issuer/ Manager

CSC HOLDINGS LIMITED

### Securities

CSC HOLDINGS LTD - SG1F84861094 - C06

### Stapled Security

No

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## Announcement Details

### Announcement Title

Annual Reports and Related Documents

**ANNUAL REPORTS AND RELATED DOCUMENTS::**

13-Jul-2021 18:07:25

### Status

New

### Report Type

Annual Report

### Announcement Reference

SG210713OTHRRSNC

### Submitted By (Co./ Ind. Name)

See Yen Tarn

### Designation

Director & 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 attached for the :-

1. Annual Report 2021
2. Letter to Shareholders dated 14 July 2021

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## Additional Details

### Period Ended

31/03/2021

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## Attachments

[Annual Report 2021.pdf](#)

[Letter to Shareholders.pdf](#)

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Total size =9555K MB

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# FORTIFYING FOUNDATION IN UNCERTAIN TIMES

CSC HOLDINGS LIMITED  
ANNUAL REPORT 2021



**CSC**  
YOUR PARTNER IN  
GROUND  
ENGINEERING





# **FORTIFYING FOUNDATION IN UNCERTAIN TIMES**





As Singapore's largest foundation and geotechnical engineering specialist, we at CSC know what it takes to build on solid ground. Beyond physical construction projects, we also value the importance of reinforcing the foundations that define us as a brand – upholding our core values and optimising our capabilities that enable us to continually create value for all our stakeholders. Even in uncertain times brought about by a global pandemic, we remain focused on fortifying our foundations, building on our storied experience and expertise to pave the way ahead.





# Adapting to Changing Times

Times are changing and so must we. By swiftly adapting to market changes brought about by the COVID-19 pandemic, we are able to navigate new challenges and transform our business operations to stay ahead of the curve.









# Staying Safe, Keeping Well

At CSC, we prioritise safety and wellness at every level of our operations. We believe in creating safe and trusted work environments that empower our people to deliver their best without compromising on their health or well-being.



# A New Way Forward

It is in uncertain times that our mettle is tested, now more so than ever before. However, we are confident in our resilient track record and ability to work as one, which will enable us to emerge stronger and pave the way for a sustainable future.





# 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 1,500 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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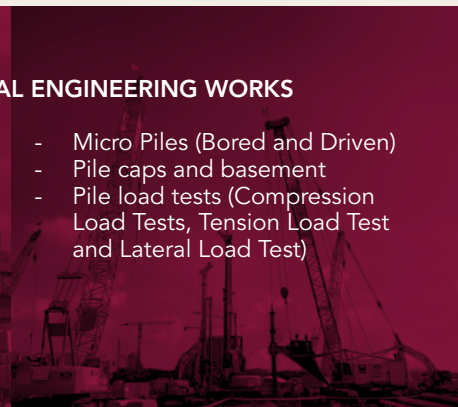
Financial Highlights





## 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



# SCOPE OF SERVICES

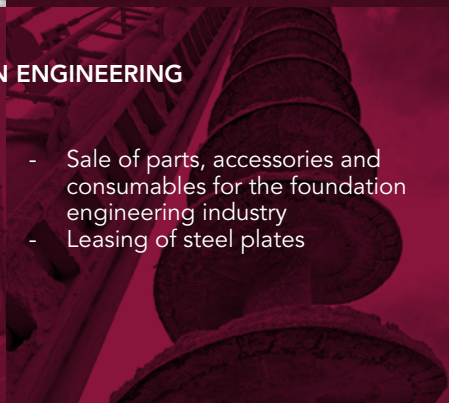
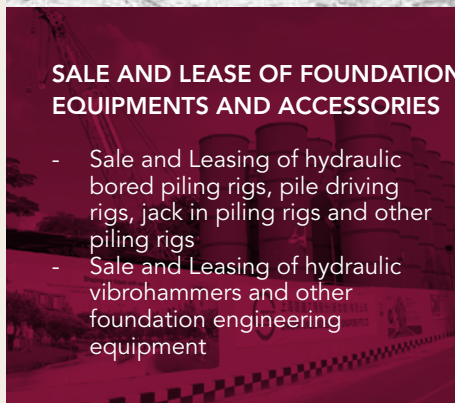


## SOIL INVESTIGATION, INSTRUMENTATION AND SPECIALISED SURVEYING WORKS

- 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



# CHAIRMAN'S STATEMENT



**WITH WORK GRADUALLY RESUMING IN THE SECOND HALF OF THE FINANCIAL YEAR FROM OCTOBER 2020 TO MARCH 2021 ("2HFY21"), THE GROUP FOCUSED ON MAXIMISING ASSET UTILISATION, AS WELL AS OPTIMISING COST AND OPERATIONAL EFFICIENCIES.**

Dear Shareholders,

We were heartened that CSC had emerged stronger through the construction downturn of prior years and eventually returned to profitability in the preceding financial year ended 31 March 2020 ("FY20"). The turnaround attested to the Group's effective tendering strategies, prudence in cost management and ability to optimise the use of resources. However, the turnaround momentum was stifled by the sudden unprecedented onset of Covid-19 pandemic since the start of CSC's new financial year in April 2020.

Like many other businesses in Singapore, a large part of CSC's activities during the financial year ended 31 March 2021 ("FY21") was centred on managing and adapting to issues arising from the Covid-19 outbreak. This proved to be relatively challenging, particularly in view of the Circuit Breaker ("CB") and the Movement Control Order ("MCO") imposed by the Singapore and Malaysia governments respectively in the earlier part of the financial year. No revenue was generated during the CB and MCO as construction activities were completely halted. By the time work resumption was allowed, the Group had to grapple with manpower shortage and the implementation of Covid-19 safe-management practices which slowed down the pace of business activity significantly. These unprecedented developments weighed down on our performance for FY21.

With work gradually resuming in the second half of the financial year from October 2020 to March 2021 ("2HFY21"), the Group focused on maximising asset utilisation, as well as optimising cost and operational efficiencies. We are thankful that, with the support of the Covid-19-related grants and rebates extended to us by the Singapore government, the Group was able to regain a minor measure of profitability in 2HFY21.

In spite of the stronger performance in 2HFY21 compared to the six-month period from April 2020 to September 2020 ("1HFY21"), it was insufficient to mitigate the effects of the pandemic and our group revenue of \$178.3 million for FY21 fell short compared to the revenue of \$342.8 million recorded in the previous financial year ended 31 March 2020 ("FY20"). The Group's net loss was \$12.4 million in FY21, compared to a net profit of \$7.3 million in FY20. Nonetheless, our cash position remained strong at \$34.6 million for the year, taking into consideration a contribution of \$9.7 million from the exercise of warrants in FY21.



### FY21 ACTIVITY UPDATE

As part of our right sizing and fleet optimisation strategy to handle current demand, we rejuvenated our equipment to replace the mid-sized equipment to increase our productivity and enable us to take on increased demand. Our 55%-owned trading arm, THL Foundation Equipment Pte Ltd has secured an exclusive distributorship with Xuzhou Construction Machinery Group Co., Ltd ("XCMG") to sell XCMG equipment in the South Asia and Southeast Asia regions, serving as an additional revenue source for the Group. The Group retains its focus on managing asset utilisation and the optimisation of cost and operational efficiencies to reinforce its competitive position.

New contracts secured during the year were mainly public sector infrastructure projects which included geotechnical and foundation works for several MRT stations. Amid the manpower shortage arising from border closures, the commencement of some projects had to be delayed. Nonetheless, the gradually stabilising Covid-19 situation coupled with the effective management of the pandemic in Singapore signal improvements in the labour situation and we expect to make progress on these projects in the coming year.

### STRENGTHENING INNOVATIVE CAPABILITIES

Despite the challenges, there were opportunities to build up our capabilities. We embarked on two projects with support from the Building Construction Authority (BCA), and have successfully applied for patents for our Mobile Site Reporting ("MSR") System, an on-site production reporting mobile application that electronically captures real-time site data; and the RC Pile Handler, which is capable of transferring heavy and elongated objects, such as reinforced concrete ("RC") piles, in a safe and efficient way using its grip mechanism. With the MSR System, we are able to achieve 25% savings on manpower and 150% improvement in site recording efficiency, among others. For each RC pile project using the RC Pile Handler, there is a productivity gain of 50% increase in number of RC piles handled per day and 73% cost savings per RC pile installed.

We are currently working on the development of several projects that aim to reduce costs and increase productivity.

### LOOKING AHEAD

The uncertain and evolving nature of the pandemic has reinforced the need to be adaptable and resilient. The Group is cautiously optimistic about Singapore's construction industry outlook, as BCA's estimates of between \$23 billion and \$28 billion for 2021 indicate a healthy demand for construction services. However, the prevailing competition is likely to persist following the construction lull in FY21. Construction margins are also expected to face pressure from rising material and manpower costs, which have been exacerbated by the tightening of border restrictions in Singapore on 23 April 2021. In addition, the implementation of the latest MCO in Malaysia from 12 May 2021 to 7 June 2021, the total lockdown imposed from 1 to 28 June 2021, and ongoing manpower challenges are anticipated to further impact the Group's construction activities in Malaysia.

To this end, the Group will maintain a prudent approach towards tenders for construction projects. While we seek to offer competitive prices to our customers, we will continue to exercise care to ensure sustainable margins and continued value creation for our stakeholders.

### APPRECIATION

On behalf of my fellow Board members, I would like to thank CSC's management and staff who have demonstrated resilience amidst a challenging economic environment. I also wish to convey my heartfelt appreciation to my fellow Directors who have been a strong pillar of support and counsel for the Group. Finally, I am grateful to all our shareholders, customers, business partners and associates for steadfast support and trust in us.

### DR LEONG HORN KEE

*Independent Non-Executive Chairman*

# 主席致辞

尊敬的股东：

我们很庆幸集团成功从前几年建筑业低迷的阴霾中摆脱出来。在截至2020年3月31日的前一财政年度（“2020财年”）集团转亏为盈，这证明了集团有效的招标策略、审慎的成本管理以及优化资源管理的能力。尽管如此，突如其来的2019冠状病毒疫情无可避免的给集团在2020年4月开始的财政年度中带来严重打击。

在截至2021年3月31日的财政年度（“2021财年”）里，与新加坡的许多其他企业一样，集团大部分活动专注于处理和调整因冠病疫情爆发所引起的问题。新加坡和马来西亚两国政府分别于2021财年上半年里实施的阻断措施和行动管制令，这无疑对集团来说是相当具有挑战性的考验。由于建筑活动全面暂停，集团在两国封城期间面临零收入的处境。即便在允许复工后，人力短缺以及为遵守控制疫情所做的安全管理措施带来的负担显着减缓了集团业务活动的步伐，并影响了我们在2021财年里的表现。

随着建筑活动于截至2021年3月的2021财年下半年逐渐恢复，集团集中加强资产使用率，以及优化成本和运营效率。我们感谢新加坡政府提供的疫情相关补贴和回扣，帮助我们恢复些许盈利。

尽管与截至2020年9月的2021财年上半年相比，集团于2021财下半年的表现更为强劲，但这仍不足以缓解冠病疫情所带来的影响。因此，与截至2020财年的3亿4280万元营业额相比，集团2021财年的营业额仅达1亿7830万元。集团在2021财年的净亏损为1240万元，而2020财年则报730万元的净利润。尽管如此，集团于2021财年里认股权证行使后获得的970万元，让集团于截至2021年3月31日的现金状况仍保持良好，达3460万元。

## 业务回顾

作为集团应付当前需求正确规模和优化策略的一部分，我们以替换中型设备的方式更新了设备，以提高我们的生产力并确保我们能够满足不断增长的需求。我们所持有55%股权的设备贸易部门THL Foundation Equipment Pte Ltd 获得了中国徐州工程机械集团有限公司（“徐工集团”）在南亚和东南亚地区销售徐工集团旗下设备的独家分销权，这成为了集团的额外收入来源。集团将继续专注于管理资产使用率以及优化成本和运营效率，以增强竞争力。

2021财年内集团获得的新合同主要来自公共部门基础设施项目，包括多个地铁站的岩土工程和地基工程。由于边境关闭导致人手短缺，一些项目不得不延迟开工。然而，逐渐稳定的疫情局势加上新加坡对疫情的有效管理显示了劳动力状况有望改善，我们预计这些项目将在未来一年里取得进展。

## 加强创新能力

尽管面临挑战，集团仍把握机会增强自身的能力。我们在新加坡建设局的支持下研发了移动式工地报告系统和RC桩处理机，并成功为这两个项目申请了专利。移动式工地报告系统是一种以电子方式获取实时工地数据并且能即刻生成报告的应用程序，而RC桩处理机则是使用其抓握机制以安全有效的方式移动如钢筋混凝土桩（reinforced concrete piles,即RC桩）等沉重和细长的物体。移动式工地报告系统能够帮助我们节省25%的人力并且提高现场记录效率高达150%。使用RC桩处理机则让我们有效提高生产率，不止RC桩的处理数量增加50%，每一个RC桩的安装成本也能节省高达73%。

目前集团正着手研发几个能降低成本和提高效率的新项目。

## 展望未来

在疫情不断演变的情况下，要面对疫情所带来的不确定性就得加强自身的适应力和韧性。根据新加坡建设局预测，2021年全年建筑合同总值将介于230亿至280亿元之间，这显示建筑服务的需求仍然强健。集团因此对新加坡建筑业前景持谨慎乐观的态度。然而，2021财年的建筑业低迷，激烈的竞争预计将会持续。随着新加坡在2021年4月23日起收紧边境管制，建筑业务的利润率预计也将面临原材料和人力成本上涨的压力。此外，马来西亚于2021年5月12日至6月7日实施最新的行动管制令、2021年6月1日至28日实施的全面封锁以及持续的人力短缺挑战预计也将进一步影响集团在马来西亚的建筑活动。

因此，集团将继续就建筑项目的投标保持审慎态度。在我们寻求为客户提供有竞争力的价格的同时，我们会继续谨慎行事，以确保我们能为股东提供可持续的利润和价值。

## 致谢

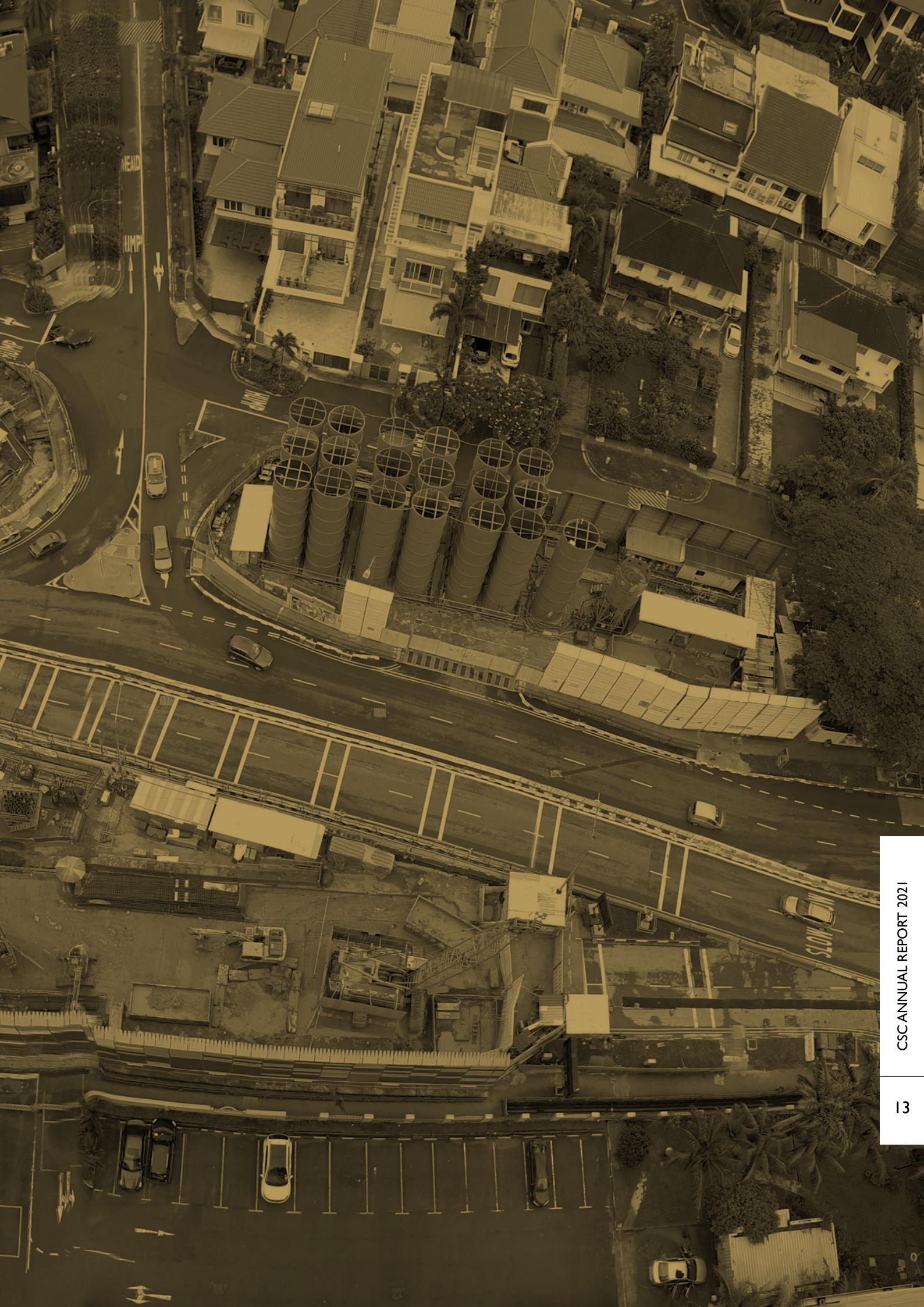
我谨代表董事成员万分感谢管理团队和员工在这艰难的经济环境中展现出的毅力和韧性。

我也感谢董事会成员给予集团的支持与指导。最后，我也感谢股东、客户、商业和合作伙伴们对集团坚定的支持与信任。

## 梁汉基博士

独立非执行主席







# OUR PRESENCE IN THE SOUTH EAST ASIA REGION

## Provision of Foundation Engineering Services in Malaysia, Thailand, Vietnam and Laos.

### PREVIOUS YEARS

#### INFRASTRUCTURE PROJECTS

- Malaysia** - Bukit Ria Mass Rapid Transit (MRT) Station and Klang Valley MRT (KVMRT) – Intervention Shaft at KL Sentral
- Vietnam** - Bac Hung Hai Bridge in Hanoi
- Thailand** - Sections of Srirat Expressway, Bangkok

#### RESIDENTIAL PROJECTS

- Malaysia** - Vista Harmoni Apartment at Sentul, Kuala Lumpur
  - Service Apartments in Kuala Lumpur such as The Pano
  - Mixed Developments at Selangor such as Equine Residence
  - Condominiums in Johor such as Bora Residences @ Tropicana Danga Bay, Molek Regency Condominium and Horizon Hills
  - I-Santorini Condo at Tanjung Tokong, Penang
  - Luxury Condominium - Alix Residence
- Vietnam** - Palm Heights for Palm City in District 2, Ho Chi Minh City
- Thailand** - Condominiums at Bangkok such as The LPN Rattanathibet Condominium, Villa Arcadia at Srinakarin, U-Delight Condominium, Parque Condominium and LPN Condo at Nawamin Soi 38

#### INDUSTRIAL PROJECTS

- Malaysia** - Polyvinyl Butyral (PVB) Resin Plant and 2nd Crystex Plant, Kuantan, Pahang
  - Petronas Rapid Project in Pengerang
  - Head-Quarters for Kossan Rubber Industries Sdn Bhd
- Vietnam** - Industrial Complex in Long An Province
- Thailand** - New factory for ROHM Semiconductors, Pathum Thani
  - Bangpoo SPP Power Plant in Bangkok
  - TTCL Power Plant in Klong Luang Pathumthani
  - Power Plants at Ayutthaya such as Siam Pure Rice Power Plant and NNEG Cogeneration Power Plant
  - Jotun –Amata Factory in Chonburi

### COMMERCIAL PROJECT

- Malaysia** - Mixed Development at Kuala Lumpur such as Cerrado – Southville City @ KL South, Fera Residence @ The Quartz and Trion @ Sungei Besi
  - Condominium in Selangor such as Emerald 9 @ Cheras
  - IKEA Tebrau in Johor Bahru
  - Sunway Healthcare Medical Center
- Thailand** - Lumpini Night Bazaar at Ratchadapisek in Bangkok
  - Don Mueang International Airport, Bangkok
- Laos** - Vientiane International Airport Terminal Building

### INSTITUTIONAL PROJECTS

- Malaysia** - Educational Institutions such as University Institute Teknologi MARA Campus in Seremban, Malaysia Multimedia University at Cyberjaya, Selangor, UiTM Campus at Puncak Alam, Selangor and International School in Kuala Lumpur
  - Sunway International School
- Thailand** - Royal Thai Navy Hospital
  - Educational Institutions such as Singapore International Schools in Bangkok and Chiangmai, Concordia International School
  - New Thai Parliament House

### CURRENT YEARS

#### RESIDENTIAL PROJECTS

- Malaysia** - Mixed Developments at Seri Kembangan, Selangor (Equine Residence - Phase 2)
  - Mixed Developments at Alam Damai, Selangor (Emerald Hills - Phase 3 & 4)

# OUR PROJECTS IN SINGAPORE

## Major foundation and geotechnical engineering works awarded to CSC group (Singapore projects).

### PREVIOUS YEARS

#### INFRASTRUCTURE PROJECTS

- Mass Rapid Transit (MRT) Stations of Keppel, Tanjong Katong, Sungei Bedok, Bayshore and tunnels for Thomson East Coast Line
- Kim Chuan Depot Extension for Circle Line 6
- North South Corridor (Contract N110 and N111)
- JTC Pipe Bridge / Pipe Support Structures at Jurong Island, Tengah Garden Walk / Plantation Crescent / Tengah Drive, Tengah Plantation

#### RESIDENTIAL PROJECTS

- Public Housing Developments at Punggol East, Woodlands, and other townships in Singapore
- Condominium developments at Juniper Hill, Braddell Road, How Sun Drive, Kampong Java Road, Silat Avenue, Holland Road, Handy Road and Serangoon North Ave 1
- Stirling Residences

#### INDUSTRIAL PROJECTS

- Neste Singapore Expansion Project
- Micron FAB 10A at North Coast Drive
- Chemical and Refining Integrated Singapore Project (CRISP) Oil Movement and Storage (OM&S) Tank Farm, PAC Refinery, and Package 1 & 2
- Integrated Construction and Prefabricated Hub at Pulau Punggol Barat
- Existing Manufacturing Plant at Jurong Island
- Chemical Plant at Banyan Avenue
- Factory at Woodland Height
- Waste Water Treatment Plant at Tuas View Drive

#### COMMERCIAL PROJECTS

- New Bird Park at Mandai Lake Road
- Claymore Road Hotel

#### INSTITUTIONAL PROJECTS

- Polyclinic at Chin Cheng Ave
- Nursing Home at Potong Pasir
- Singapore Institute of Technology Campus at Punggol North
- Urban Training Facility at Old Choa Chu Kang Road
- Ministry of Home Affairs Home Team Tactical Centre Phase 2A

### CURRENT YEARS

#### INFRASTRUCTURE PROJECTS

- MRT Stations of Choa Chu Kang, Choa Chu Kang West, Tengah and Viaduct for Jurong Region Line (Contract J102)
- Multi Storey Gali Batu Bus Depot (Contract DE 142)
- North South Corridor between Novena & Toa Payoh Rise (Contract N106)
- Lifts Shaft to Existing Pedestrian Overhead Bridges (Contract DE 117)

#### RESIDENTIAL PROJECTS

- Condominium Developments at Clementi Avenue 1 (CLAVON), Kampong Java Road, Holland Road, Canberra Link, Fernvale Lane and Irwell Bank Road
- Public Housing Developments at Tengah Plantation Contract 4, Tengah Garden C1 & Common Green, Woodland N1C25, Geylang C14, Tengah Drive & Tengah Park Ave/Tengah Park C8

#### INDUSTRIAL PROJECTS

- Multi-user Factory with Temporary Industrial Canteen at 29 New Industrial Road
- Sabic Saffron-B Feed at Benoi Road
- Ramp Up Warehouse Building at 2 Tanjong Penjuru Crescent
- Pfizer API Expansion Project at 31 Tuas South Avenue 6 (Wet Production Building & Ext Storage)

#### COMMERCIAL PROJECTS

- 14 Storey Hotel Development at 89 Short Street
- Mandai Resort at Mandai Lake Road
- HometeamNS Clubhouse and Chalets at Bedok North Road
- Data Centres at 51 Defu Lane 10, Loyang Drive (SIN 61) and Sunview Drive (SIN 67)

#### INSTITUTIONAL PROJECTS

- Chinese Temple Development at Northshore Drive
- Sports and Recreation Development at Coney Island
- Proposed Home Team Tactical Centre (Phase 2A) at Mandai Road
- Additions and Alterations to existing Conserved Buildings, The Octagon at Havelock Square for Family Justice Courts

# PROPERTIES OF THE GROUP

31 MARCH 2021

No.	Particulars	Tenure	Site Area (Sq m)	Approx Build-up Area (Sq m)
1.	Leasehold land on Lot 04812A Mukim 7 at 15 Tuas South Street 6, Singapore 636913.	20 years 9 months w.e.f 17 Feb 2015	4,700.0	3,178.5
2.	Leasehold industrial building on Lot MK7-672K at No. 13, Pioneer Sector 2, Singapore 628374.	32 years w.e.f 1 Sep 1997 (Note 1)	3,037.1	694.1
3.	Freehold agriculture land held under individual title GM 4789, Lot 808, Tempat Sungei Liam, Mukim Ulu Yam, Daerah Hulu Selangor	Freehold	21,549.0	21,549.0

Note:

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



# 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

### 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

## 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

## 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

120 Pioneer Road, #04-01,  
Singapore 639597  
Tel : (65) 6367 0933  
Fax : (65) 6367 0911  
Email : corp@cschl.com.sg  
Website : <http://www.cschl.com.sg>

## SHARE REGISTRAR & SHARE TRANSFER OFFICE

M & C Services Private Limited  
112 Robinson Road #05-01  
Singapore 068902  
Tel : (65) 6228 0530  
Fax : (65) 6225 1452

## AUDITORS

### KPMG LLP

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

### Audit Partner-in-Charge

Karen Lee Shu Pei  
Appointed since financial year ended  
31 March 2020

## PRINCIPAL BANKERS

United Overseas Banking Limited  
Oversea-Chinese Banking Corporation Limited  
DBS Bank Ltd  
Malayan Banking Berhad  
RHB Bank Berhad

# CORPORATE MILESTONES



**1975**

Founding of Ching Soon Engineering Pte Ltd.

**1981**

Incorporation of CS Construction & Geotechnic Pte Ltd.

**1996**

Incorporation of CS Bored Pile System Pte Ltd.

Incorporation of CS Geotechnic Pte Ltd.

**1997**

Incorporation of CSC Holdings Limited.

**1998**

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

Incorporation of CS Industrial Land Pte Ltd.

**1999**

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

**2000**

Incorporation of Kolette Pte Ltd.

**2002**

Acquisition of THL Engineering Pte Ltd.

**2004**

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

**2006**

Incorporation of CS India Pte Ltd.

Acquisition of L&M Foundation Specialist Pte Ltd.

Incorporation of L&M Ground Engineering Sdn Bhd.

**2007**

Acquisition of G-Pile Sistem Sdn Bhd.

Acquisition of Soil Investigation Pte Limited.

**2008**

Incorporation of CSC Ground Engineering Sdn Bhd.

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

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

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

**2009**

Acquisition of 70% equity stake in Spectest Sdn Bhd.

Incorporation of GPSS Geotechnic Sdn Bhd.

**2010**

Acquisition of 30% stake in DW Foundation Pte Ltd.

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

**2011**

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

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

Sale of Excel Precast Pte Ltd.

**2012**

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

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

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

Sale of Spectest Group.

**2013**

Incorporation of CS Ground Engineering (International) Pte Ltd.

Incorporation of ICE Far East Offshore Pte Ltd.

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

## 2014

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

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

## 2015

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

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

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

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

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

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

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

## 2016

Sale of L&M Philippines, Inc.

Incorporation of CS Real Estate Investments Pte Ltd.

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

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

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

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

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

## 2017

Sale of Siam CSC Engineering Company Limited.

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

## 2018

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

## 2019

Striking off of Kolette Pte Ltd.

Incorporation of Changsha THL Foundation Equipment Co. Ltd.

## 2020

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

## 2021

Striking off of ICE Far East Offshore Pte Ltd.

Incorporation of THL Vietnam Company Limited.



# CEO'S STATEMENT



OUR TRACK RECORD OF WORKING ON PROJECTS OF ALL SCALE AND REQUIREMENTS SERVED US WELL. INFRASTRUCTURE AND INDUSTRIAL PROJECTS FORMED THE BULK OF PROJECTS SECURED IN FY21 BY PROJECT VALUE, WHILE WE ALSO SECURED SEVERAL PROJECTS FROM THE COMMERCIAL AND RESIDENTIAL SECTORS.

Dear Shareholders,

By all accounts, financial year ended 31 March 2021 ("FY21") was a challenging year, as the Covid-19 pandemic upended the operations of nearly all industries across the globe. Its impact on the construction industry was also unprecedented, with mandatory temporary work stoppage, disruptions in supply chains for raw materials, manpower shortage and the need to implement safe distancing measures to protect our workers, which led to increases in costs and impeded work progress.

## FINANCIAL REVIEW

Our operations were greatly affected in the first half of FY21 ended 30 September 2020 ("1HFY21"), when circuit breaker measures (CB) in Singapore from 6 April to 1 June 2020 and movement control order (MCO) in Malaysia from 18 March to 3 May 2020 brought all activity at our sites to a standstill. When work resumed in the second half of FY21 ended 31 March 2021 ("2HFY21"), the pace was slow and gradual, as the Group dealt with a shortage of workers and the requisite compliance with safe management measures. A second round of MCO in Malaysia (MCO 2.0) implemented in January 2021 also affected productivity.

In light of the above, our Group revenue declined 48.0% to \$178.3 million in FY21, compared to \$342.8 million in the financial year ended 31 March 2020 ("FY20"). As a result, gross profit fell 75.4% to \$10.9 million, from \$44.2 million in FY20. The decrease was partially mitigated by an improvement in 2HFY21 performance, which took into account the increased work activity, our successful negotiations with our suppliers for lower equipment rental charges and to lock in prices for key construction materials, and Covid-19-related grants and rebates from the government. As a result, we recorded a gross profit of \$17.3 million in 2HFY21, compared to a gross loss of \$6.5 million in 1HFY21.

Other income rose 73.8% to \$3.9 million in FY21, taking into account a gain of \$2.8 million from the disposal in 1HFY21 of the leasehold property at 2 Tanjong Penjuru Crescent, which was formerly also the site of our headquarters, to a joint venture company that is jointly owned by CSC and Australia-headquartered logistics property developer, LOGOS Group.

Operating expenses declined 17.8% to \$28.1 million, from \$34.2 million a year ago, following a series of cost containment measures, including salary reduction for middle-level and senior-level employees and a voluntary reduction in directors' fees by our Board members. The decline also took into account a lower year-on-year impairment losses recognised on trade and other receivables and contract assets, as well as \$2.5 million in support grants received from the Singapore government for corporate and administrative staff.

Net finance expenses declined 67.1% to \$1.2 million in FY21, mainly due to decrease in overall borrowings following the net repayment of debt during the year, as well as lower interest rates imposed on these borrowings.

Given the industry headwinds and taking into account the factors mentioned above, we posted net loss attributable to shareholders of \$11.0 million in FY21, compared to a net profit attributable to shareholders of \$5.6 million in FY20. Group earnings before interest, tax, depreciation and amortisation remained positive at \$15.1 million for FY21, versus \$40.8 million a year ago.

As at the close of March 2021, our cash and cash equivalents stood at \$34.6 million, compared to \$19.2 million a year ago. The increase takes into account the receipt of \$9.7 million in proceeds from shareholders' exercise of warrants during the year, which expired on 29 December 2020. A total of 96.96% of the warrants were exercised into ordinary shares upon its expiry.

## OPERATIONS REVIEW

Many public sector projects were postponed to allow more time to assess the pandemic's impact on resource management and project schedules. Private sector construction demand was also tempered by market uncertainties arising from the pandemic-induced recession.

Nevertheless, our track record of working on projects of all scale and requirements served us well. Infrastructure and industrial projects formed the bulk of projects secured in FY21 by project value, while we also secured several projects from the commercial and residential sectors. Some of these notable projects include:

### Infrastructure projects

- MRT Stations of Choa Chu Kang, Choa Chu Kang West, Tengah and Viaduct for Jurong Region Line
- Multi-storey Gali Batu bus depot
- North-South Corridor between Novena and Toa Payoh Rise
- Lift shafts for existing pedestrian overhead bridges for island wide

### Industrial projects

- Multi-user factory with temporary industrial canteen at 29 New Industrial Road
- Sabic Saffron B Feed at Benoi Road
- Ramp-up warehouse building at 2 Tanjong Penjuru Crescent
- Pfizer API expansion project, including wet production building and external storage, at 31 Tuas South Avenue 6

### Residential projects

- Condominium Developments at Clementi Avenue 1 (CLAVON), Kampong Java Road, Holland Road, Canberra Link, Fernvale Lane and Irwell Bank Road
- Public Housing Developments at Tengah Plantation Contract 4, Tengah Garden C1 & Common Green, Woodland N1C25, Geylang C14, Tengah Drive & Tengah Park Ave/Tengah Park C8
- Mixed developments in Selangor, Malaysia, including Equine Residence (Phase 2) at Seri Kembangan, and Emerald Hills (Phase 3 & 4), at Alam Damai

### Commercial projects

- 14 storey hotel development at 89 Short Street
- Mandai Resort at Mandai Lake Road
- HomeTeamNS clubhouse and chalets at Bedok North Road
- Data centres at 51 Defu Lane 10, Loyang Drive and Sunview Drive

### Institutional projects

- Chinese Temple Development at Northshore Drive
- Sports and recreation development at Coney Island
- Home Team Tactical Centre (Phase 2A) at Mandai Road
- Additions and alterations to existing conserved building, The Octagon at Havelock Square for the Family Justice Courts

# CEO'S STATEMENT

Our equipment and leasing business segment recorded lower revenue in FY21, in line with the decline in construction activity overall. On a brighter note, we secured exclusive rights from China-based Xuzhou Construction Machinery Group Co., Ltd to distribute its piling equipment in Southeast and South Asia. This will add to the business segment's income stream going forward, with the recovery of and growth in construction activity and demand.

In the United Kingdom, the residential development project in Cambridge, in which we have an effective 23.75% stake, has sold 100% of the 13 landed units. In Malaysia, our 5%-owned, mixed-used development project in Iskandar continues to yield a steady return.

## INVENTIONS AND INNOVATION

Operating in an environment where margin and manpower challenges are prevalent has made us realise the importance of building resilience through innovation. We are thankful to have pushed through with several productivity and safety solutions over the past few years, as these have become even more crucial to us today.

In September 2020, we were granted patents for two of our inventions, namely, the RC Pile Handler and the Mobile Site Reporting (MSR) System, which were developed with \$370,000 in funding support from the Building Construction Authority's (BCA) Production Innovation Projects (PIP) scheme and the now-defunct Mechanisation Credit.

The MSR System is a real-time, on-site production reporting and data processing application. Traditionally, there were significant unproductive duplication of work due to manual recording of data – the handwritten data and manual calculations were also subject to human error and misplacements. The ease of access of the MSR System, its one-time data entry and swift generation of reports ensure timeliness and data integrity, which in turn enables the Company to make informed decisions quickly. We have achieved 25% savings on manpower and 150% improvement in site-recording efficiency since the application's implementation.

The RC Pile Handler is an innovative method that allows for the safe and efficient transfer of heavy and elongated objects, such as reinforced concrete (RC) piles, through its grip mechanism. The conventional way was labour intensive with extensive communication needed, less productive and had a higher risk of accident. Our method requires only 2 men, and has led to significant productivity gains, including a 71% savings on manpower, a 50% increase in number of piles handled per day and cost savings of 73% per pile installed. Notably, the invention was awarded the Silver prize for Productivity and Innovation Award by the Singapore Contractors Association Limited. The RC Pile Handler has been granted patents in Singapore, Brunei, Cambodia, Indonesia, the Philippines, Thailand and Vietnam and is awaiting patent approvals in Laos and Malaysia. We are currently working on several projects that aim to reduce costs and increase productivity.

## LOOKING AHEAD

Barring a Covid-19 resurgence in Singapore, we are cautiously optimistic about the outlook of the local construction industry in the year ahead. With the outbreak under control, the backlog of projects that were postponed in 2020 and 2021 should be re-introduced. In particular, the infrastructure and public housing sectors are expected to remain healthy. Nevertheless, we remain mindful of intense competition, as industry players look to fill their order books.

In view of rising construction material and manpower costs, margins will remain under pressure. The tightening of border restrictions in Singapore and the MCO imposed from May to June have also aggravated the labour crunch and hampered the import of construction materials to Singapore. Our operations in Malaysia were also suspended during the MCO. Maintaining a healthy financial position, with strict capital and cash flow management, continue to be our key priority as we navigate this delicate situation. The conversion of warrants into shares by our shareholders upon the warrants' expiry in December 2020 has helped to strengthen our cash on hand.





Our joint effort with LOGOS Group to redevelop our headquarters at Tanjong Penjuru Crescent is currently underway. We are looking forward to the building's completion by the first calendar quarter of 2022.

The new complex will consist of a 45,662-square-metre modern six-storey ramp-up logistics facility, along with office space, cafeteria and rooftop parking. It will also include a built-to-suit high-specification workshop for our ground engineering equipment fleet. Apart from having a new office and workshop, we also expect to gain rental revenue from the leasing of the rest of the space not utilised by us.

#### ACKNOWLEDGEMENTS

I wish to express my heartfelt gratitude to my fellow colleagues, who have been tenacious and determined in overcoming the challenges and adapting to the unprecedented circumstances of the past year. I am also thankful for our Board members, who have given valuable counsel, as well as to our business partners, customers and shareholders for standing by us.

With your support, I am confident that we can build a stronger business for all our stakeholders.

#### SEE YEN TARN

*Executive Director / Group Chief Executive Officer*

# 总裁致辞

尊敬的股东：

截至2021年3月31日的财政年度（“2021财年”）从各个方面来说对集团都是极为艰巨的一年，这可归咎于2019冠状病毒疫情颠覆全球几乎所有产业的关系。疫情给建筑业带来的影响也是前所未有的，它导致工程强制性暂停、原材料供应链中断、劳工短缺以及为确保员工安全所实施安全距离措施，都给集团带来了成本增加和工程进度延迟的影响。

## 财务回顾

基于新加坡于2020年4月6日至6月1日实施的阻断措施以及马来西亚于2020年3月18日至5月3日实施的行动管制令，我们的业务在截至2020年9月30日的2021财政年度上半年受到了巨大打击。尽管工程在截至2021年3月31日的2021财年下半年逐步复工，但复工速度和进展缓慢，集团同时面对人力短缺和确保遵守安全管理措施的挑战。马来西亚于2021年1月份实施的第二次行动管制令也影响了集团在当地的生产力。

因此，集团营业额从前一财政年度（“2020财年”）的3亿4280万元，减少48.0%至2021财年的1亿7830万元。全年毛利也因此从2020财年的4420万元下跌75.4%至2021财年的1090万元。毛利跌幅由2021财年下半年较好的业务表现而稍有弥补，这可归功于下半年业务活动稍有回升、我们成功与供应商协商调低设备租金并锁定主要建筑材料的价格、以及政府提供的疫情相关补贴和回扣。因此，2021财年下半年取得1730万元的毛利，2021财年上半年则报650万元的毛亏损。

其他收入上升73.8%达到2021财年的390万元，这主要归功于脱售位于丹戎本茱鲁弯二号的租赁土地后的所得收益，该土地此前作为集团总部所在地，并已脱售给由集团和LOGOS集团共同拥有的合资公司，LOGOS集团为总部设在澳大利亚的物流产业开发商。

集团实施一系列成本控制措施后，营业开支从前一财年的3420万元减少17.8%至2810万元，这些措施包括集团高级和中层管理人员的减薪，以及董事会成员自愿调低董事酬金。营业开支的减少也可归功于就贸易及其他应收款项和合同资产而作出的减值亏损的同比减少，以及新加坡政府所分发给集团总部的公司和行政员工的250万元补贴。

净财务支出减少67.1%至2021财年的120万元，这是因为集团的偿还借款净额导致总借款减少，而这些借款的借款利率也较前一财年底。

有鉴于业内当前所面临的挑战以及以上所述因素，集团在2021财年报1100万元的股东应占净亏损，2020财年则报560万元的股东应占净利。集团利息、税项、折旧及摊销前利润保持盈利，达到2021财年的1510万元，前一财年为4080万元。

截至2021年3月底，集团的现金及现金等价物同比2020财年的1920万元上升至2021财年的3460万元。这主要是因为集团于2021财年里股东行使认股权证后所获得的970万元，该认股权证于2020年12月29日到期。认股权证中，有96.96%于到期时获股东行使为普通股。

## 业务回顾

许多政府项目因需要评估疫情对资源管理和项目进度的影响，而宣布延迟推出。私人领域的建筑需求也因疫情导致经济衰退对业内产生的不确定因素而受影响。

尽管如此，我们在处理各种规模和要求的项目的丰富经验和卓越施工记录在这时发挥了效用。基础设施和工业项目在2021财年所得项目中所占的价值比例最大，而我们也承接了不少商业和住宅项目。这些项目包括：

### 基础设施项目

- 裕廊区域线的蔡厝港、蔡厝港西和登加地铁站以及高架桥项目
- 卡利巴株多层巴士车场
- 位于诺维娜和大巴窑坡之间的南北交通廊道
- 全岛各地现有行人天桥的电梯井

### 工业项目

- 位于工业新路29号包含临时工业食堂的多用户工厂
- 位于贵耐路的沙特基础工业公司 Saffron B FEED 设施
- 丹戎本茱鲁弯2号的坡道式货仓
- 位于大士南六道31号的辉瑞API 扩建项目，带湿式生产楼和外部存储建筑

### 住宅项目

- 位于金文泰一道（CLAVON）、甘榜爪哇路、荷兰路、坎贝拉连路、芬维尔巷和尔卫民路的私人公寓
- 登加田园四号合同、登加绿苑C1及共用绿色区，兀兰N1C25、芽笼C14、登加通道和登加园林道/登加园林C8的公共住宅项目
- 位于马来西亚雪兰莪州的混合项目：史里肯邦安的Equine Residence（第二阶段）以及阿南达迈的Emerald Hills（第三及第四阶段）

### 商业项目

- 肃街89号14层楼高酒店项目
- 位于万里湖路的万里度假村
- 位于勿洛北路的内政团队战备人员协会会所和度假屋
- 位于德福10巷51号、罗央通道和阳景通道的数据中心

### 机构项目

- 位于北岸通道的华人庙宇项目
- 位于科尼岛的运动休闲设施
- 位于万里路的新加坡内政部的内政团队战术中心2A期
- 为家事司法法院位于合乐路的受保护建筑物The Octagon 办事处翻新工程



随着建筑活动的减少,集团的设备销售和租赁业务在2021财年里取得了较低的营业额。我们获得了中国徐州工程机械集团有限公司在南亚和东南亚地区销售其集团旗下设备的独家分销权。随着未来建筑活动和需求的回升和增长,这将有助于增加这项业务的收入来源。

另外,我们位于英国剑桥的住宅项目的13个有地单位已经售罄。集团在这项剑桥项目中持有23.75%股权。集团也从在马来西亚依斯干达一项持有5%有效股权的混合开发项目中获得了稳定的分占收益。

### 研发创新

集团在一个面对利润率和人力挑战的环境里运营,我们意识到通过创新建立韧性的重要性。让我们感到万幸的是,集团过往几年致力推出的数项提升生产力和安全性的创新方案,如今对集团来说是越发的重要。

2020年九月份,我们成功为移动式工地报告系统和 RC 桩处理机这两个研发项目取得了专利。这两个项目是在建设局旗下生产力创新项目以及已被取消的机械化奖励这两个计划提供的37万元资助下研发完成的。此前,工地数据是以手写记录,此方法不但效率低且重复记录的机率高。另外,手写和人工计算数据也很容易受人为影响出现错误或遗失。移动式工地报告系统易于使用,数据只需输入一次,就能确保数据在及时和完整的情况下迅速生成报告,这让集团能够快速做出准确的决定。自实施此程序以来,我们节省了25%的人力和提升了150%的工地记录效率。

RC 桩处理机是一个能够以其抓握机制安全并有效率的移动沉重和细长的物体。传统方式耗费体力、需要多番沟通,效率低并具有高意外风险。新方式只需两名人员操作,这显著提高了我们的生产力,包括节省71%人力、每日移动的混凝土桩增加50%,每一个桩的安装成本也减少73%。这项研发让集团在新加坡建筑商公会有限公司颁发的生产力和创新奖项中获得银奖。RC 桩处理机在新加坡、文莱、印度尼西亚、菲律宾、泰国和越南获得专利,而马来西亚和泰国的专利申请目前尚在等待批准。我们目前正在开发两项旨在降低成本和提高生产力的项目。

### 展望未来

撇开疫情在新加坡复发的可能性,我们对本地建筑业未来一年的前景持谨慎乐观的态度。疫情受到良好管理的情况下,于2020年和2021年延迟推出的项目有望重新推出,基础设施和公共住宅领域的需求应该会维持强健。然而,我们意识到业者都积极想争取合同,我们将继续留意业内激烈的竞争的情况。

项目利润将继续面对建筑材料和人力成本上升带来的压力。新加坡收紧边境管制以及马来西亚于5月份至6月份实施的行动管制令都加重人力短缺的问题,并影响建筑材料的进口。我们的马来西亚业务也因为行动管制令而暂停。以严格的资本和现金流管理来维持良好的财务状况将作为我们应付眼前危机的首要任务。集团从股东在2020年12月份实行认股权证获得的资本进一步的加强了集团的财务状况。

我们和LOGOS集团合力重新发展丹戎本茱鲁湾总部的工程正进行得如火如荼,预计可在2022年第一季度里竣工。新设施包括占地4万5千662平方米的6层楼高现代化坡道式物流设施,拥有办公空间、员工餐厅以及顶层停车场。新设施也包含为地面工程设备机队制定的高规格车间。除了拥有新的办事处,我们预计从出租我们未使用的其余空间来获得租金收入。

### 致谢

我由衷感谢同事们在克服困难和应对困境中展现出的毅力和坚持。我也非常感谢董事成员们给予的宝贵意见,以及各生意伙伴、客户和股东们给予的支持。

有你们的支持,我相信我们能够为大家建立更强大的集团。

### 薛献凡

执行董事/集团总裁



# FIVE YEARS FINANCIAL SUMMARY

	FY17	FY18	FY19	FY20	FY21
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## GROUP PROFIT & LOSS (\$\$'M)

Revenue	252.4	338.8	323.1	342.8	<b>178.3</b>
Gross Profit	8.2	11.2	15.0	44.2	<b>10.9</b>
(Loss)/Profit After Tax	(24.7)	(13.5)	(18.0)	7.3	<b>(12.4)</b>
EBITDA	8.2	14.8	9.4	40.8	<b>15.1</b>

## GROUP BALANCE SHEET (\$\$'M)

Property, Plant & Equipment	164.9	156.2	137.1	132.5	<b>125.0</b>
Other Non-Current Assets	14.8	17.0	20.7	29.1	<b>24.3</b>
Total Current Assets	171.8	161.8	195.6	203.0	<b>176.2</b>
Total Assets	351.5	335.0	353.4	364.6	<b>325.5</b>
Total Equity	171.0	159.4	142.4	151.6	<b>147.7</b>
Other Non-Current Liabilities	23.4	23.1	19.5	18.0	<b>19.8</b>
Total Current Liabilities	157.1	152.5	191.5	195.0	<b>158.0</b>
Total Equity & Liabilities	351.5	335.0	353.4	364.6	<b>325.5</b>

## PER SHARE DATA (CENTS)

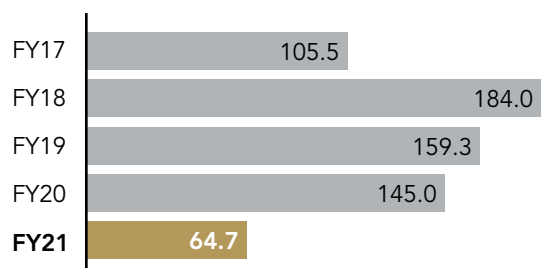
(Loss)/Earnings After Tax (Basic)	(1.16)	(0.65)	(0.86)	0.23	<b>(0.37)</b>
Net Asset Value	7.80	7.20	6.10	5.84	<b>4.14</b>

## FINANCIAL RATIOS

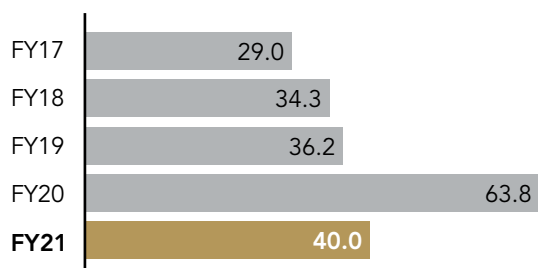
Return on Equity	-16.6%	-10.3%	-15.6%	4.7%	<b>-9.0%</b>
Gross Profit Margin	3.3%	3.3%	4.6%	12.9%	<b>6.1%</b>
Debt/Equity Ratio	50.1%	50.4%	72.1%	58.0%	<b>51.9%</b>
Current Ratio	1.09	1.06	1.02	1.04	<b>1.11</b>

# FINANCIAL HIGHLIGHTS

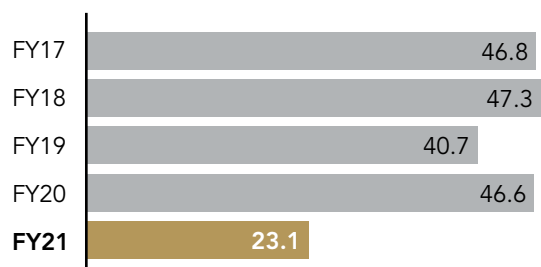
## BORED PILES / DIAPHRAGM WALLS



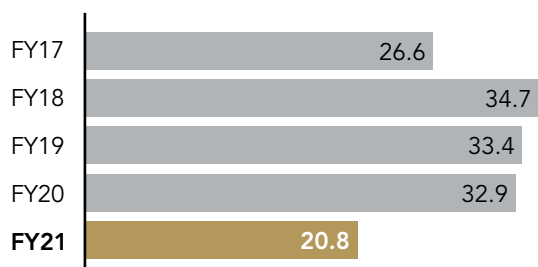
## DRIVEN PILES / JACK - IN PILES



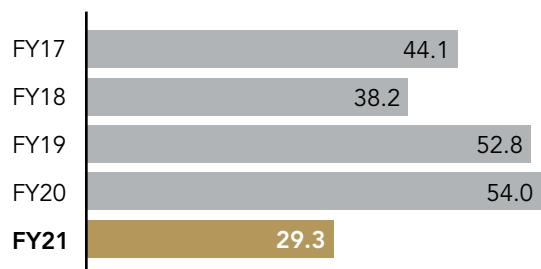
## MICRO PILES / OTHER FOUNDATION - RELATED ACTIVITIES



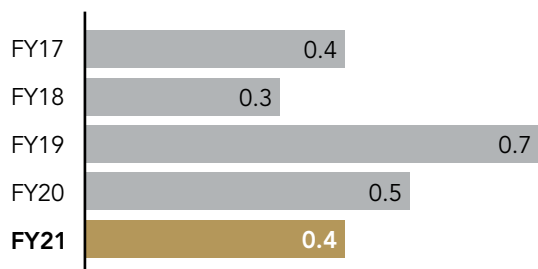
## SOIL INVESTIGATION & INSTRUMENTATION WORKS



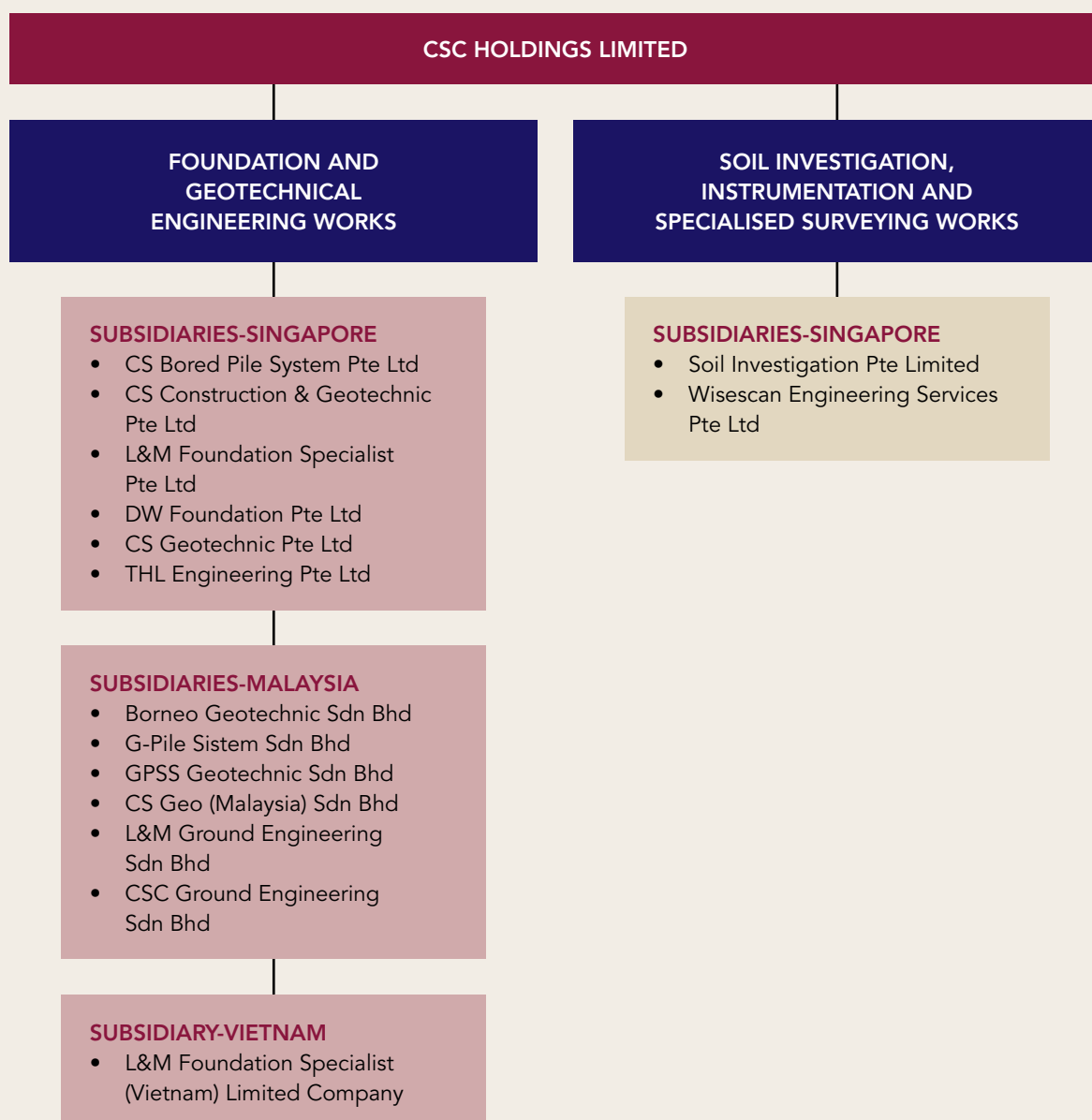
## SALE & LEASE OF FOUNDATION ENGINEERING EQUIPMENT & ACCESSORIES



## OTHERS



# CORPORATE STRUCTURE





## SALES AND LEASE OF FOUNDATION ENGINEERING EQUIPMENTS AND ACCESSORIES

### SUBSIDIARIES-SINGAPORE

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

### SUBSIDIARY-MALAYSIA

- ICE Far East Sdn Bhd

### SUBSIDIARY-HONG KONG

- ICE Far East (HK) Limited

### SUBSIDIARY-THAILAND

- ICE Far East (Thailand) Co., Ltd

### SUBSIDIARY-INDIA

- IMT – THL India Private Limited

### SUBSIDIARY-PHILIPPINES

- THL Foundation Equipment (Philippines) Inc

### SUBSIDIARY-MYANMAR

- THL Foundation Equipment (Myanmar) Company Limited

### SUBSIDIARY-CHINA

- Changsha THL Foundation Equipment Co., Ltd

### SUBSIDIARY-VIETNAM

- THL Vietnam Company Limited

## OTHERS

### SUBSIDIARIES-SINGAPORE

- 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

### ASSOCIATE-SINGAPORE

- Coldhams Alliance Pte Ltd
- 2TPC Investments Pte Ltd
- 2TPC Pte Ltd

### ASSOCIATE-MALAYSIA

- WB Top3 Development Sdn Bhd

### ASSOCIATE-HONG KONG

- Coriolis Hertford Limited

### ASSOCIATE-UK

- Hemingford (Coldhams Lane) Limited
- Cambridge (Coldham's Lane) Limited
- Railway Street Hertford Ltd
- Allunite Limited

### OTHER INVESTMENT-MALAYSIA

- THAB Development Sdn Bhd
- THAB PTP Sdn Bhd

# BOARD OF DIRECTORS



### **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's Non-Resident High Commissioner to Cyprus, as well as Non-Resident Ambassador to Argentina.

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

### **SEE YEN TARN**

*Executive Director / Group Chief Executive Officer*

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

He graduated with a Bachelor degree in Accountancy from the National University of Singapore in 1981. He is also a qualified Chartered Accountant (England and Wales) in London since 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.

Seated from left

**DR LEONG HORN KEE**  
**ONG TIEW SIAM**

Standing from left

**TAN HUP FOI @ TAN HUP HOI**  
**SEE YEN TARN**  
**TEO BENG TECK**

### **ONG TIEW SIAM**

*Independent Director*

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

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

### **TAN HUP FOI @ TAN HUP HOI**

*Independent Director*

Mr Tan joined the Board as an Independent Director in April 2006. He is the Chairman of the Nominating Committee and the Remuneration Committee and is a member of the Audit Committee. He is the Honorary Vice-President of the International Association of Public Transport (UITP) and Honorary Chairman of UITP Asia-Pacific Division. Mr Tan has over 30 years experience in the transport industry. He was the Chief Executive of Trans-Island Bus Services Ltd from 1994 to 2005 and also the Deputy President of SMRT Corporation Ltd from 2003 to 2005. A Colombo Plan scholar, Mr Tan graduated from Monash University in Australia with a First Class Honours degree in Mechanical Engineering in 1974 and he obtained a Master of Science (Industrial Engineering) degree from University of Singapore in 1979. Mr Tan was awarded the Pingat Bakti Masyarakat (Public Service Medal) in 1996 and Bintang Bakti Masyarakat (Public Service Star) in 2008 by the President of Republic of Singapore.

### **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



## 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 31 of the Annual Report for his profile under the Board of Directors' section.

### KOO CHUNG CHONG

*Group Chief Operating Officer*

Mr Koo has been with the Group since 1996. He joined the Group as Senior Project Engineer and rose through the ranks of the Group. In June 2016, he was promoted to the position of Group Chief Operating Officer.

Mr Koo has been with the Group for more than 25 years. His experience includes foundation engineering, property investment and management in both local and overseas markets. He was a former Council Member of Singapore Contractor Association (SCAL). Mr Koo holds a Diploma in Civil Engineering from the Singapore Polytechnic and a Bachelor degree (Hons) in Engineering (Civil & Structural) from the University of Sheffield, England.

### YEN CHEE LOONG

*Group Chief Financial Officer*

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 Chief Financial Officer.

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.

From left (top to bottom)

SEE YEN TARN

KOO CHUNG CHONG

YEN CHEE LOONG

LIM YEOW BENG

GWEE BOON HONG

GOH SWEE LENG

NG KEAT YEE

WONG WAI LIN, EILEEN

WAN BAO YUAN, MAX

HENNY MARIANE SUTEDJO

KELVIN CHUE MUN WAI

LOH BOON CHONG

LIM YONG KENG DANNY (LIN YONGQING)

PHOON SOO HIN

TAN YONG BENG

CHUA KENG GUAN

LAWRENCE CHONG JONG AN

NG SUN OH

KAAN CHI LOONG

LIM LEONG KOO

# KEY MANAGEMENT

## 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 20 years of design and construction experience in geotechnical engineering works in Singapore as well as in the South East Asia region.

### GOH SWEE LENG

*General Manager, Marketing/Tender*

Mr Goh joined the Group as Marketing Manager in Jun 2008 and was promoted to Senior Manager, Group Marketing/Tender in April 2014. In April 2019, he was promoted to General Manager, Marketing / Tender.

Mr Goh has more than 20 years of experience in Foundation, Geotechnical, Civil and Marine Construction in Singapore. He holds a Bachelor of Science in Civil Engineering from National Taiwan University, Taiwan in 1986.

### NG KEAT YEE

*Acting Head, Group Human Resource & Administration*

Ms Ng joined the Group as Senior HR & Administration Executive in September 2007 and was promoted to Assistant HR & Administration Manager in January 2008. In October 2010, she was promoted to HR & Administration Manager.

In March 2021, she was appointed as Acting Head, Group HR & Administration.

Ms Ng has more than 20 years of working experience in the field of HR management. She holds a Bachelor Degree (Hons) in Economics from Northern University of Malaysia.

### WONG WAI LIN, EILEEN

*Senior Purchasing Manager*

Ms Eileen Wong has been with the Group since 2007 as a Senior Manager in Purchasing Department. She heads the Group's Purchasing Department and supports purchasing processes for all subsidiaries. She has more than 20 years of managerial experiences in procurement field for various industries which include construction.

She obtained her Master Degree in Business Administration with University of Dubuque, IOWA USA in 1994.

### WAN BAO YUAN, MAX

*Head, Plant & Workshop (Singapore Foundation Engineering Group)*

Mr Max 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.



## **HENNY MARIANE SUTEDJO**

*Senior IT Manager*

Ms Henny Sutedjo joined CSC in September 2019 as Senior IT Manager. She is responsible for the delivery of all strategic business IT and digital transformation initiatives. Her team's mission is to drive business value by delivering solutions, capabilities, support and operational excellence.

Ms Henny has more than 15 years of IT Operations managing projects, ERP, business critical applications and infrastructure experience in Asia Pacific. She received her Master Science in Information Studies from Nanyang Technological University in 2007 and is a PMP-certified Project Manager since 2010.

## **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 L&M Foundation Specialist Pte Ltd in October 2020.

Mr Chue has more than 18 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.

#### **DRIVEN PILES / JACK-IN PILES / MICRO PILES**

### **LIM YONG KENG DANNY**

**(LIN YONGQING)**

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

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

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

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

# KEY MANAGEMENT

## SOIL INVESTIGATION, INSTRUMENTATION AND SPECIALISED SURVEYING WORKS

### PHOON SOO HIN

*Director of Soil Investigation Pte Ltd ("SIPL")*

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

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

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

### TAN YONG BENG

*Director of Soil Investigation Pte Limited ("SIPL")*

Mr Tan joined the Group in December 2012 as a Pile Instrumentation Manager and was subsequently promoted to Senior Manager in May 2016, in which he oversees the operations and development of the various departments. In July 2018, he was appointed as the General Manager of SIPL and in November 2020, he was promoted as Director of SIPL overseeing the general management and operations matters.

Mr Tan graduated with a Bachelor Degree in Civil and Environmental Engineering from Nanyang Technological University in 2003. He has more than 10 years of experience in soil investigation and geotechnical engineering. He has accumulated extensive overseas working experience on iconic projects during his career formative years, specializing in deep foundation testing. He later honed his skills in a government statutory board and subsequently took up a business development role with a local property developer before joining SIPL.

### 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.



# COORDINATED PANDEMIC RESPONSE



## OUR BUSINESS OPERATIONS

The unprecedented Covid-19 pandemic greatly impacted the construction and built sector industries. To control the spread of the Covid-19 virus, the Singapore government implemented a two-month Circuit Breaker from April to May 2020. Prior to that, the Malaysia government had implemented its first movement control order from March to May 2020. As a result, all business activities were temporarily halted, and the construction industry took a severe hit as the closure of construction sites led to project delays. Following the closure of our construction sites, we were unable to record revenue from the progress of our projects, even as we continued to incur manpower and operating costs.

## MITIGATING FINANCIAL IMPACT

In response to the pandemic, the Group promptly implemented effective cost management measures to mitigate the financial impact on its businesses. We adopted cost measures to reduce cost and conserve cash. Our mid-level and senior-level employees took pay cuts at the onset of the pandemic. Our Board of Directors also took a voluntary reduction in directors' fees to stand in solidarity with our employees. Along with this, we worked closely with suppliers and partners to reduce costs. To manage our cash flow more effectively, the Group further drew down on term loans under Enterprise Singapore's Temporary Bridging Loan Programme and tapped on our existing credit lines.

The Singapore government announced support measures, such as the Job Support Scheme (JSS), to provide wage subsidies to help companies retain and pay their local workers as businesses took a hit from the pandemic. We also received additional support via foreign worker levy waivers and rebates. In total, we received \$10.7 million in subsidies, and this enabled us to partially cushion the impact on our profits.

## SAFEGUARDING EMPLOYEE WELL-BEING

Our employees are our greatest resource, and their personal safety and well-being is our utmost priority. The circuit breaker brought about unique challenges for the Group as the pandemic resulted in a significant proportion of our international employees contemplating whether to resign and return home, for fear of the outbreak in the foreign workers community. We had a short 48-hour runway to persuade our Malaysian colleagues to remain in Singapore for their personal health and safety. We took swift action to meet their immediate needs and helped them to adjust quickly to living in a different environment in Singapore. We also provided transportation to and from the work sites to ensure that our employees were able to commute to work safely each day.

To encourage our international workers and help them cope with feelings of isolation and loneliness arising from their being away from home for a prolonged period, we also delivered festive treats to their dormitories on special occasions like Hari Raya and Deepavali.

The shortage of masks was another issue that we had to grapple with. The wearing of masks is part of the safe management practice, to ensure the safety and limit the spread of germs. We managed to secure a steady supply of masks to assure our employees that they would have access to masks.



With work-from-home arrangements mandated by the government during the Circuit Breaker, we extended logistical support to help our employees transition into working off-site. This included the transporting of documents and even workstations to the employees' homes. We also provided all staff with regular updates on the Covid-19 guidelines, and regularly reminded them to take precautionary measures against Covid-19, such as regular temperature monitoring, and to seek immediate medical attention if they felt unwell.

### IMPLEMENTING SAFETY MEASURES

As Singapore's economy gradually reopened, we also transitioned into returning to the office and our work sites. Given the uncertainty over the prolonged impact of pandemic, we will remain adaptable and make necessary adjustments even after the circuit breaker period.

Notwithstanding the evolving pandemic situation, safeguarding employee safety and well-being remains the Group's top priority. In adhering to government measures, we have ensured that our work sites have been certified safe and safe-distancing measures have been implemented. As part of our concerted efforts to combat the virus, we undertook a holistic approach to ensure our staff can continue to work in a clean and safe environment.

On top of adhering to the government-mandated safety measures, we implemented additional measures to maintain the highest standard of hygiene at our offices and dormitories.

Some of these measures include:

#### For office staff

- Implemented staggered working hours and lunch breaks at the workplace
- Daily cleaning of office, toilets, and common areas
- Ensured 1-m safe distancing in office such as demarcating safe distancing with visual indicators



- at workstations, meeting rooms, reception counter.
- Established protocol on actions to be taken should a staff member feel unwell in the office and require immediate medical attention
- Appointed a Safety Management Officer to conduct regular inspections and checks to ensure compliance
- Regularly updated and shared safe management measures

#### For foreign workers in the dormitories

- Daily disinfecting of tools, machines, and vehicles
- Regular reminders on maintaining personal hygiene and safe distancing at job sites
- Supervisors are immediately informed when any worker feels unwell
- Arranged daily transport for workers travelling between job sites and dormitories
- Enforced staggered rest days for workers and minimize crossover of workers among project sites in order to mitigate the risk of cross infection among workers
- Regularly updated and shared safe management measures

### EMERGING STRONGER FROM COVID-19

Embracing the new normal requires adjustment and constant vigilance. We are mindful of the importance of keeping up with our precautionary safe management measures at workplaces and dormitories.

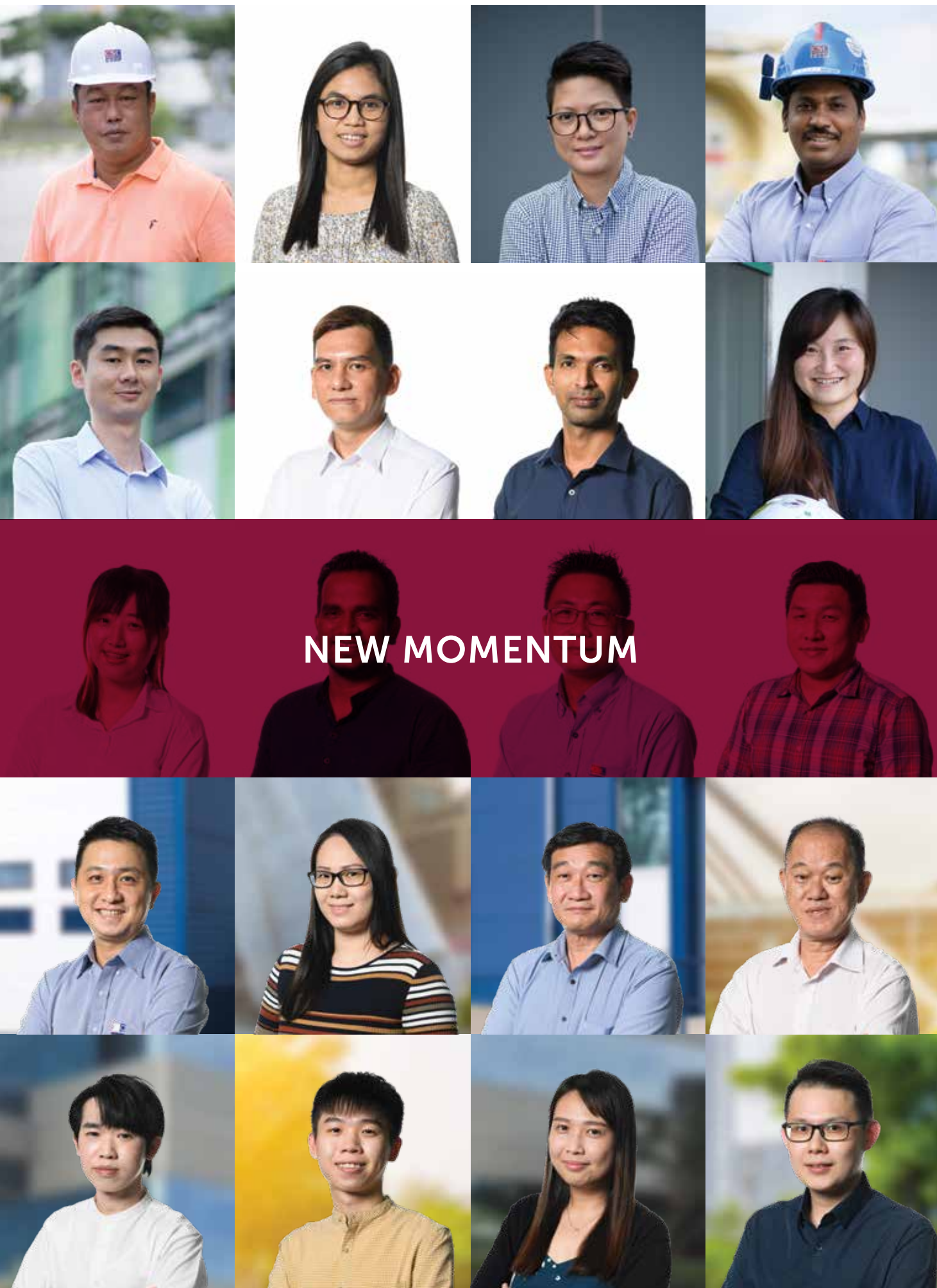
We believe that our dedicated and resilient team of employees, strong financial fundamentals and strategic plans will put us in good stead to capture the growth opportunities in the industry as it makes a gradual recovery.





BUILDING ON A









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# CORPORATE GOVERNANCE REPORT

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

## BOARD MATTERS

### PRINCIPLE 1: THE BOARD’S CONDUCT OF AFFAIRS

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

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

The Board also sets an appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Company. The Board works closely with Management ensuring that their duties and responsibilities stipulated under the Companies Act, Chapter 50, 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, Chapter 50, and changes in the Listing Manual of the SGX-ST.

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

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

New Directors will undergo an orientation programme whereby they are briefed by the Chief Executive Officer (“CEO”), Chief Operating Officer (“COO”), 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*).

It is noted that there is no new director appointed to the Board of the Company in FY2021.



# CORPORATE GOVERNANCE REPORT

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

- (1) Approving the Group's goals, strategies and objectives;
- (2) Considering sustainability issues, e.g. environmental and social factors, as part of its strategic formulation;
- (3) Monitoring the performance of Management;
- (4) Monitoring the Company's key risks and mitigation strategies;
- (5) Overseeing the processes for evaluating the adequacy and effectiveness of internal controls, risk management systems, financial reporting and compliance of the Group;
- (6) Approving the appointment of Directors of the Company and Key Management Personnel of the Group;
- (7) Approving the announcement of unaudited half year financial results, unaudited full year financial results and audited financial statements;
- (8) Endorsing remuneration framework and key human resource matters of the Group;
- (9) Convening of general meetings;
- (10) Approving annual budgets, major funding proposals, major acquisition and major disposal of investments according to the Listing Manual of the SGX-ST; and
- (11) Assuming responsibility for corporate governance and compliance with the Companies Act, Chapter 50 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.

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.

# CORPORATE GOVERNANCE REPORT

The number of Board and Board Committee meetings and annual general meeting held during the financial year ended 31 March 2021 ("FY2021") 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 (Annual General Meeting)
Dr Leong Horn Kee	6	4	2	2	–	1
See Yen Tarn	6	*4	*2	2	4	1
Teo Beng Teck	6	4	2	*2	4	1
Ong Tiew Siam	6	4	2	*2	4	1
Tan Hup Foi @ Tan Hup Hoi	6	4	2	2	–	1
<b>Number of meeting(s) held in FY2021</b>	<b>6</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>4</b>	<b>1</b>

\* 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*).

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.

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 that Board procedures are followed. 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 five (5) Directors, comprising one (1) Executive Director, one (1) Non-Executive Director 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)

Tan Hup Foi @ Tan Hup Hoi (Independent Director)

Teo Beng Teck (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*).

# CORPORATE GOVERNANCE REPORT

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

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

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

The Board is of the view that a strong element of independence is present in the Board with Non-Executive 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, legal or corporate governance, relevant industrial knowledge, strategic planning and customer-based experience or knowledge. Their profiles are set out on page 31 of the 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, experiences, skills and knowledge in, but not limited to, the fields of business development, business management, industry knowledge, financial, legal 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 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.

The NC and Board are of the view that the current size, composition, range of experience and the varied expertise of the current Board members provides core competencies in business, investment, industry knowledge, legal, 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 FY2021, the NC conducted its annual review of the Directors’ independence (*Provision 4.4 of the Code*) and was satisfied that the Independent Directors made up a majority of the Board (*Provision 2.2 of the Code*).

For FY2021, Non-Executive Directors represented a majority of the Board members and contributed to the Board process by monitoring and reviewing Management’s performance against the established goals and objectives. The Non-Executive Directors and/or Independent Directors meet without the presence of Management, where necessary, and chairman of such meetings provides feedback to the Board Chairman as appropriate (*Provision 2.5 of the Code*). Their views and opinions provide alternate perspectives to the Group’s business. When challenging Management’s proposals or decisions constructively, the Non-Executive Directors bring independent and objective judgement to bear on business activities and transactions involving conflicts of interest and other complexities.

# CORPORATE GOVERNANCE REPORT

For FY2021, 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. The Board, based on the review conducted by the NC, has determined that the said Directors are independent.

## BOARD DIVERSITY

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

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

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

- (1) by assessing the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and
- (2) evaluation by the Directors of the skill sets the other Directors possess, with a view to understanding the range of expertise which is lacking by the Board.

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

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

Non-Executive and Independent Directors of the Board exercise no management functions in the Company or its subsidiary. Although all the Directors have an equal responsibility for the Group's operations, the roles of the Non-Executive and Independent Directors are particularly important in ensuring that the proposals by Management are fully discussed, examined and constructively challenged. The Non-Executive and Independent Directors help to develop proposals on business strategies, business operations and practices of the Group. In addition, the Non-Executive 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 annually 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.



# CORPORATE GOVERNANCE REPORT

## 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 Board Charter adopted by the Board (*Provision 3.2 of the Code*). The Chairman and the CEO are not related to each other; they have no close family ties and are not immediate family members (*Provision 3.1 of the Code*).

Dr Leong Horn Kee, an Independent Director, is the Board Chairman. 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 when necessary and sets the board meeting agenda in consultation with the CEO and Company Secretaries. He 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*).

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

## PRINCIPLE 4: BOARD MEMBERSHIP

***The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.***

## PRINCIPLE 5: BOARD PERFORMANCE

***The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.***

## NOMINATING COMMITTEE

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

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

# 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;
- (b) To review all nominations for new appointments and re-election of Directors, put forth their 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;
- (d) To review Board succession plans, in particular, the Chairman, the CEO and Key Management Personnel;
- (e) To review the process and criteria for evaluation of performance of the Board, the Board Committees and the Directors;
- (f) To assess the effectiveness of the Board as a whole and contribution of each of the Director to the effectiveness of the Board; and
- (g) To review training and professional development programs for the Board/Directors.

The NC takes the lead in identifying, evaluating and selecting suitable candidates for new directorships before makes 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.

The NC identifies suitable candidates for appointment to the Board having 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 new 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 new Executive Director (*Provision 1.2 of the Code*).

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

- there should be a strong and independent element on the Board, with Independent Directors making up at least one-third of the Board where:
  - (a) the Chairman of the Board and the CEO is not the same person; and
  - (b) the Chairman of the Board should be an Independent Non-Executive Director.
- the Board should comprise business leaders and professionals with finance, engineering, business and management backgrounds.

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

According to the Regulation 108 of the Company's Constitution, all new Directors of the Company will hold office only until the next Annual General Meeting ("**AGM**") of the Company following their appointment and shall then be eligible for re-election at such meeting.

# CORPORATE GOVERNANCE REPORT

According to Rule 720(5) of Listing Manual of the SGX-ST, all directors are required to submit themselves for re-nomination and re-appointment at least once every three (3) years. In addition, the Regulation 104 of the Company's Constitution provides that at least one-third of the Directors shall retire from office by rotation at each AGM. A retiring Director shall be eligible for re-election. The NC makes recommendations to the Board as to whether the Board should support the re-election of a Director who is retiring in accordance with the Listing Manual of the SGX-ST and/or the Company's Constitution. Accordingly, the Directors submit themselves for re-nomination or re-election at regular intervals.

The table below provides information pertaining to each Director's date of appointment and date of the last re-election (*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 years
Dr Leong Horn Kee	28 July 2018/ 27 August 2020	Independent Director and Board Chairman  Member of Audit Committee, Remuneration Committee and Nominating Committee	Director of – IGG Inc – SPH Reit Management Pte Ltd which is the management company of listed company, SPH Reit – ESR Funds Management (S) Limited which is the management company of listed company, ESR Reit	Director of – Tat Hong Holdings Ltd – Viva Industrial Trust Management Pte Ltd which is the management company of listed company, Viva Industrial Trust
			Singapore High Commissioner to Cyprus	
			Singapore Ambassador to Argentina	
Mr See Yen Tarn	11 November 2005/ Not applicable <sup>#</sup>	Executive Director and Group CEO  Member of Nominating Committee and Risk Management Committee	Director of – Eindex Corporation Limited	Director of – LCT Holdings Limited – Singhaiyi Group Ltd
Mr Teo Beng Teck	24 November 2003/ 24 July 2019	Non-Executive Director  Member of Risk Management Committee, Audit Committee and Remuneration Committee	Nil	Nil

# 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 years
Mr Ong Tiew Siam	28 July 2018/ 24 July 2019*	Independent Director  Chairman of Audit Committee and Risk Management Committee and member of Remuneration Committee	Director of  – Valuetronics Holdings Limited	Director of  – Tat Hong Holdings Ltd – Design Studio Group Ltd
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  Chairman of  – Transit Link Pte Ltd – Caring Fleet Services Limited – Orita Sinclair School of Design and Music Pte Ltd  Honorary Vice President of International Association of Public Transport (UITP)  Honorary Chairman of UITP Asia-Pacific Division	

# Mr See Yen Tarn will be seeking re-election at the forthcoming AGM pursuant to Rule 720(5) of Listing Manual of the SGX-ST.

\* Mr Ong Tiew Siam 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 FY2021, Non-Executive Directors and Independent Directors have given sufficient time and attention to the affairs of the Company and were able to adequately carry out his duties as a Director of the Company (*Provisions 1.5 and 4.5 of the Code*). The Board concurred with the NC's views.

Mr Tan Hup Foi @ Tan Hup Hoi has served on the Board for more than nine (9) years from the date of his first appointment and his continued appointment, as an Independent Director of the Company, was approved by shareholders, via separate resolutions in the manner described in Rule 210(5)(d)(iii) of the SGX-ST's Listing Manual (which will take effect from 1 January 2022), at the last AGM held on 27 August 2020 for a term of three (3) years.



# CORPORATE GOVERNANCE REPORT

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 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 and actively involved in the discussions at the meeting.
- (f) Each Independent Director provides overall guidance to Management and acts as safeguard for the protection of Company's assets and shareholders' interests.
- (g) Each Independent Director, as the Chairman of their respective Board Committees, has led their respective Board Committees effectively in making independent and objective decision.

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

- are free from any interest, business or other relationship with the Company and its subsidiaries, its related corporations, substantial shareholders which could interfere, or could reasonably be perceived to interfere, with the exercise of Director's independent business judgement with a view to the best interest of the Company;
- have any material contractual relationship with the Group other than as a Director; and
- have the ability to give time, participate and contribute at Board and/or Board Committee meetings.

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

# CORPORATE GOVERNANCE REPORT

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 beyond nine (9) years from the date of his first appointment.

The NC has recommended the nomination of Mr See Yen Tarn and Mr Ong Tiew Siam for re-election as Directors at the forthcoming AGM, following a review of their contribution, performance, attendance, preparedness and participation at Board and/or Board Committee meetings, candour and suitability and review of their independence, as appropriate. The Board is satisfied that each of Mr See Yen Tarn and Mr Ong Tiew Siam possesses the relevant experience, expertise, knowledge and skills to contribute towards the core competencies of the Board and has accepted the NC's recommendation. Mr See Yen Tarn and Mr Ong Tiew Siam, being eligible, will be offering themselves for re-election at the AGM. The additional information of the retiring Directors, Mr See Yen Tarn and Mr Ong Tiew Siam, is set out on pages 174 to 180 of this Annual Report.

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

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

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

Performance evaluations of Board Committees, namely, AC, NC and RC focuses 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 present to the NC for discussion. The NC will then present the findings of the evaluation questionnaire and make its recommendation to the Board (*Provision 5.2 of the Code*).

The evaluation questionnaire is approved by the Board and they address how the Board has enhanced long term shareholder value. The Board has not changed any of such performance criteria or questions during FY2021.

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

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

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

# CORPORATE GOVERNANCE REPORT

## REMUNERATION MATTERS

### PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

*The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.*

### PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION

*The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.*

### PRINCIPLE 8: DISCLOSURE ON REMUNERATION

*The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.*

## REMUNERATION COMMITTEE

The RC comprises four (4) Non-Executive Directors, namely Mr Tan Hup Foi @ Tan Hup Hoi (Chairman), Dr Leong Horn Kee, Mr Ong Tiew Siam and Mr Teo Beng Teck, the majority of whom, including the Chairman, are independent (*Provisions 1.4 and 6.2 of the Code*). The RC has access to external expert advice, if required.

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 for the specific remuneration packages for each Executive Director and Key Management Personnel;
- (3) To review and recommend to the Board the benefits under any 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.

Each member of the RC is required to abstain from voting on any resolutions, making any recommendations and/or participating in any deliberations of the RC in respect of matters concerned him, if any. 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 performance of the Company's Executive Director (together with other Key Management Personnel) will be reviewed annually and as and when required by the RC and the Board to ensure 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.

# CORPORATE GOVERNANCE REPORT

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 RC's duties including in the event of termination, termination clauses are fair and not overly generously in respect of contract services 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 consultation, where required. The Company did not appoint any external remuneration consultants in FY2021 (*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 profit-sharing or 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 a long-term incentive, share option scheme or share award scheme within the Group.

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

Directors' fees payable/paid to the Non-Executive Director 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\$329,000 as Directors' fees for the year ending 31 March 2022, 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 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 to each Director of the Company for FY2021 is disclosed in the respective bands as set out below (*Provision 8.1 of the Code*):-

Remuneration Band	Name of Directors	Directors' Fees (%)**	Service Fees (%)	Salaries <sup>(1)</sup> (%)	Bonus <sup>(2)</sup> (%)	Total (%)
S\$750,000.01 – S\$1,000,000	See Yen Tarn*	–	–	72.87	27.13	100
Below S\$250,000	Dr Leong Horn Kee	100	–	–	–	100
	Ong Tiew Siam	100	–	–	–	100
	Tan Hup Foi @ Tan Hup Hoi	100	–	–	–	100
	Teo Beng Teck	69.8	30.2	–	–	100

\* Mr See Yen Tarn is a Director of the Company and the Group CEO.

\*\* Directors' fees are subject to approval at the AGM.

<sup>(1)</sup> The salary percentage shown is inclusive of allowances, benefits in kinds and CPF.

<sup>(2)</sup> The bonus percentage shown is inclusive of CPF.



# CORPORATE GOVERNANCE REPORT

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.

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

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 are strongly aligned to the financial performance and return delivered to shareholders.

- (i) Fixed remuneration – Fixed remuneration includes an annual basis 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 the FY2021 are set out below (*Provision 8.1 of the Code*):-

Remuneration Band	Number of Key Management Personnel	Salaries <sup>(1)</sup> (%)	Bonus <sup>(2)</sup> (%)	Others (Benefits in Kinds) (%)	Total (%)
S\$500,000.01 to S\$750,000	1	75.40	24.60	–	100
S\$250,000.01 to S\$500,000	9	79.43	20.57	–	100

<sup>(1)</sup> The salary percentage shown is inclusive of allowances, benefits in kinds and CPF.

<sup>(2)</sup> The bonus percentage shown is inclusive of CPF.

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.

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 the FY2021 is approximately S\$3,376,070.64 (*Provision 8.1 of the Code*).

# CORPORATE GOVERNANCE REPORT

There was no employee of the Group, who was a substantial shareholder of the Company, or an immediate family member of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeded S\$100,000 per annum during the financial year under review (*Provision 8.2 of the Code*).

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 Board 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 risk management and internal control systems (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 FY2021, Management carried out an annual review of the Group's key risks and the effectiveness of the key internal controls of the Group.

### RISK MANAGEMENT COMMITTEE

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

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

The key functions of the RMC under its terms of reference include (*Provision 1.4 of the Code*):

- (a) reviewing and advising the Board on the operating risk management philosophy, guidelines and major policies for effective risk management, including risk profile, risk tolerance level and risk strategy;
- (b) reviewing of tendering procedure for major projects and risk management control in project management; and
- (c) overseeing and advising the Board on the current operating risk exposure and future risk strategy of the Company.

# CORPORATE GOVERNANCE REPORT

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.

## INTERNAL CONTROLS

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

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

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 controls 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.

In respect of FY2021, 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, 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 FY2021 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 FY2021.

# CORPORATE GOVERNANCE REPORT

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

## PRINCIPLE 10: AUDIT COMMITTEE

***The Board has an Audit Committee which discharges its duties objectively.***

### AUDIT COMMITTEE

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

The AC comprises four (4) Non-Executive Directors, namely Mr Ong Tiew Siam (Chairman), Mr Tan Hup Foi @ Tan Hup Hoi, Mr Teo Beng Teck and Dr Leong Horn Kee, 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 of 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 of 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, 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 of 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;
- (10) To review the independence of the external auditor annually;



# CORPORATE GOVERNANCE REPORT

- (11) To review the adequacy, effectiveness and independence of the external audit and internal audit function;
- (12) To review all non-audit services provided by the external auditor to determine if the provision of such services will affect the independence of the external auditor; and
- (13) To review the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on.

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

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

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

The Company's foreign incorporated subsidiaries are audited by separate auditing firms. The AC is of the view that the external auditors are 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 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 72 to 74 of the Annual Report.

The AC has also conducted a review of all non-audit services provided by the auditors and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the auditors. The audit and non-audit fees paid / payable to the external auditors for the FY2021 were \$447,593 and \$125,498 respectively.

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

# CORPORATE GOVERNANCE REPORT

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 audit 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 internal audit function primary line of reporting would be to the AC and in particular to the Chairman of the AC (*Provision 10.4 of the Code*).

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

The scope of the IA function is as follows:-

- (a) to evaluate the reliability, adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls of the Company and its subsidiaries in scope;
- (b) to highlight key business issues and operational weaknesses to the AC for deliberation with copies of these reports extended to the Group CEO, COO, CFO and other relevant senior management officers; and
- (c) to discuss the summary of findings and recommendations as well as the status of implementation of the actions agreed by Management at the AC meetings.

The AC meets the Internal Auditors at least once annually without the presence of Management (*Provision 10.5 of the Code*). The Internal Auditors have unfettered access to all the Group's documents, records, properties and personnel, including the AC and the 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 FY2021, the IA function is independent, effective, adequately resourced to perform its functions and has appropriate standing within the Group (*Provision 10.4 of the Code*).

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

## WHISTLE-BLOWING POLICY

The Company has put in place a Whistle-Blowing Policy ("Policy") which provides an avenue for employees of the Group and any other persons 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 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.

# CORPORATE GOVERNANCE REPORT

## MATERIAL ASSOCIATES AND JOINT VENTURES

Material associates and joint ventures which the Company does not 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 announcements, including half year and full-year results and press release (the "**Corporate Announcements**") are released 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](http://www.cschl.com.sg).

In line with continuous obligations of the Company to the SGX-ST listing rules and the Companies Act (Chapter 50), 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.

The Board ensures adequate and material information concerning 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 concerns with the Directors and Management on matters pertaining the Group's business and its operations. 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. 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 a resolution will be disclosed in the notice of general meeting.

The Company's Constitution provides that subject to the Constitution, the Companies Act (Chapter 50) 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, incorporating 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*).

# CORPORATE GOVERNANCE REPORT

## 2020 AGM

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

Shareholders were not able to attend the 2020 AGM in person. Shareholders were able to watch or listen to the AGM proceedings via a "live" webcast on their mobile phones, tablets or computers. Shareholders are allowed to submit questions to the Company 72 hours before the AGM via mail, email or electronic format accessible on the CSC website set up for the purpose of AGM 2020.

For the Company's 2020 AGM, which was convened and held pursuant to the COVID-19 Temporary Measures Order, shareholders could only vote by appointing the chairman of the meeting as their proxy to vote on their behalf.

An independent scrutineer was appointed to validate the vote tabulation procedures. Votes cast, for or against each resolution, and the respective percentages, are tallied and displayed 'live' on-screen to shareholders immediately at the 2020 AGM. An announcement containing the detailed results of the number of votes cast for, and against, each resolution and the respective percentages was uploaded via SGXNet and the Company's website after 2020 AGM. Minutes of 2020 AGM had been published via SGXNet and on the Company's website within one (1) month after the meeting .

All Directors (including the Group CEO who is also a Director) and Messrs KPMG LLP (Auditors of the Company) attended 2020 AGM either in-person or via electronic means (*Provision 11.3 of the Code*).

## Forthcoming 2021 AGM to be convened and held by way of electronic means

In relation to the forthcoming AGM to be held on 29 July 2021 ("**2021 AGM**"), shareholders should note that:

1. Due to the current COVID-19 situation, the 2021 AGM will also be convened and held by way of electronic means pursuant to the COVID-19 Temporary Measures Order.
2. A member will not be able to attend the 2021 AGM in person. Members (whether individual or corporate), who wish to exercise their voting rights at the 2021 AGM, must appoint the Chairman of the Meeting to act as proxy and direct the vote at the 2021 AGM. Members will also not be able to vote online on the resolutions to be tabled for approval at the 2021 AGM.
3. Printed copies of the Notice of 2021 AGM and Annual Report for FY2021 will not be sent to members. The electronic copies of the Notice of 2021 AGM and the Annual Report are made available on/via the following:
  - Company's website at the URL <http://www.cschl.com.sg>;
  - the website set up for the purpose of AGM at the URL <http://conveneagm.sg/csc2021> ("CSC AGM Website"); and
  - SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.

The Company's arrangements relating to, among others, (i) attendance at the 2021 AGM via electronic means (including arrangements by which the 2021 AGM can be electronically accessed via live audio-visual webcast or live audio-only stream), (ii) submission of questions prior to the 2021 AGM, (iii) addressing of substantial and relevant questions prior to or at the 2021 AGM and (iv) voting by appointing the Chairman of the Meeting as proxy at the 2021 AGM are set out in the Notice of 2021 AGM and the Company's announcement dated 14 July 2021, which can be accessed at (i) the Company's website; (ii) CSC AGM Website; and (iii) the SGX website at the URLs indicated in para (3) above.

Please refer to the Notice of 2021 AGM and the aforesaid announcement dated 14 July 2021 for further details.



# CORPORATE GOVERNANCE REPORT

## 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 the Group's financing arrangements (if any); and
- (5) other factors as the Directors of the Company may consider appropriate.

No dividend has been recommended by the Board in respect of FY2021 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 through SGXNET to SGX-ST 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 limiting 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 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, the Management will address shareholders' questions and concerns in respect of the Group's businesses should they approach the Company through emails or calls.

The AGMs of the Company serves as the primary channel for the 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 Group also maintains a website at <http://www.cschl.com.sg> where the public can access to information relating to the Company. 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 August 2021 (*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*).

### EXECUTIVE COMMITTEE ("EXCO")

As announced by the Company on 9 November 2020, Mr Lee Quang Loong has ceased to be the CFO and Secretary of the Company and the Group with effect from 31 January 2021 and ceased to be a member of the EXCO of the Company with effect from 9 November 2020. Following Mr Lee's cessation, the EXCO now comprise two (2) members.

The Board has determined and decided that the EXCO which now comprises two (2) members, namely the Group CEO and Group COO ("COO"), is no longer required and to cease with effect from 27 May 2021.

The CEO together with the COO and the newly appointed CFO review implementation of business and operational issues and formulate policies to ensure smooth functioning of the Group. The Group CEO, COO and CFO communicate the directions and guidelines of the Board and/or Board Committees to relevant departments and employees.

### DEALING IN SECURITIES

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

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

The Company and Directors, officers and employees of the Company and its subsidiaries are prohibited from dealing in the Company's securities during the periods commencing one (1) month before the announcement of the Company's half year and full year 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 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 latter will make the necessary announcements in accordance with requirements of SGX-ST.

The Company has complied with Rule 1207(19) of the Listing Manual of the SGX-ST.

# CORPORATE GOVERNANCE REPORT

## 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.

## INTERESTED PERSON TRANSACTIONS ("IPTs")

The Company has adopted a policy in 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 shareholders.

IPTs carried out during the financial year under review under Chapter 9 of the Listing Manual are as follows:

Name of interested person	Nature of relationship	Aggregate value of all IPTs during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
		S\$'000	S\$'000
Tat Hong Heavyequipment (Pte.) Ltd.	Note 1	2,911	NIL
Tat Hong Plant Leasing Pte Ltd	Note 1	662	NIL
Tat Hong Vietnam Co., Ltd	Note 1	715	NIL

### Notes:

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

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

## SUSTAINABILITY REPORTING

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

We will publish our Sustainability Report by 31 August 2021. To minimise the impact on the environment, the report will be published online via our website at [www.cschl.com.sg](http://www.cschl.com.sg) and uploaded via SGXNet.

# DIRECTORS' STATEMENT

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 March 2021.

In our opinion:

- (a) the financial statements set out on pages 77 to 164 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 2021 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 Singapore Companies Act, Chapter 50 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	
Teo Beng Teck	

## DIRECTORS' INTERESTS

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Chapter 50 (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
<b>The Company</b>		
<b>See Yen Tarn</b>		
– ordinary shares		
– deemed interest	11,866,666	22,449,996
– warrants		
– deemed interest	10,583,330	–



# 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
<b>The Company</b>		
<b>Ong Tiew Siam</b>		
– ordinary shares		
– interest held	3,000,000	18,000,000
– warrants		
– interest held	15,000,000	–
<b>Teo Beng Teck</b>		
– ordinary shares		
– interest held	5,520,000	12,095,000
– warrants		
– interest held	6,575,000	–
<b>A subsidiary – ICE Far East (Thailand) Co., Ltd</b>		
<b>See Yen Tarn</b>		
– ordinary shares		
– interest held	1	1

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year or at 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 2021.

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.

## WARRANTS

On 30 December 2015, the Company issued 403,241,241 new ordinary shares in the capital of the Company at \$0.025 each and 2,016,206,205 free detachable warrants. Each warrant carries the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of \$0.01 and is exercisable during a five year period from the date of issue. The warrants expired on 29 December 2020.

At the end of the financial year, details of the outstanding warrants on the unissued ordinary shares of the Company, are as follows:

Date of issue of warrants	Exercise price per warrants	Warrants outstanding at 1 April 2020	Warrants issued	Warrants exercised	Warrants expired	Warrants outstanding at 31 March 2021	Expiry date
30/12/2015	\$0.01	1,031,380,835	–	(970,037,840)	(61,342,995)	–	29/12/2020

# DIRECTORS' STATEMENT

## AUDIT COMMITTEE

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

- Ong Tiew Siam (Chairman), independent director
- Dr. Leong Horn Kee, independent director
- Teo Beng Teck, non-executive director
- Tan Hup Foi @ Tan Hup Hoi, independent director

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

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

The Audit Committee also reviewed the following:

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

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

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

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

# DIRECTORS' STATEMENT

## AUDITORS

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

On behalf of the Board of Directors

**Dr. Leong Horn Kee**  
*Chairman*

**See Yen Tarn**  
*Group Chief Executive Officer*

29 June 2021

# 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 2021, 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 77 to 164.

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, Chapter 50 ('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 2021, 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. The ongoing and evolving COVID-19 pandemic, together with the adverse impacts on global economies and the local construction sector, have continued to heighten the estimation uncertainties associated with these contract revenues and 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 ongoing COVID-19 pandemic on the Group's contract revenues and contract costs. We assessed the financial impact of the COVID-19 pandemic on contract pricing including variable consideration, construction-related costs and provisions and identified projects that could become onerous. We verified the measurement of the progress of satisfaction of each performance obligation and the contract revenues recognised to contract terms, external survey reports, internal project status reports and other relevant supporting documents. We reviewed the reasonableness of estimates used in determining the transaction price and constraints applied by management towards the variable consideration including liquidated damages. We selected a sample of contracts for testing using qualitative and quantitative criteria, such as contracts with low or negative margins, or met with claims and other adverse developments during the financial year. We also reviewed and challenged management's assessment of the outstanding projects' estimated costs to complete and the reasonableness of provisions for rectification costs and onerous contracts, where needed.

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

*Risk:*

The Group's trade receivables and contract assets (collectively, the "contract receivables") amounted to \$46 million and \$62 million respectively as at 31 March 2021. 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 (ECL).

The assumptions about the risk of default and expected loss rates on these contract receivables are highly judgemental. With the ongoing COVID-19 pandemic impacting many businesses globally including the Group's customers, any ECL created could be subjected to significant changes recorded in profit or loss in future periods.

*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 ongoing COVID-19 pandemic is causing disruptions to the Group's business and operations as well as economic uncertainties in the global markets. As a result, management has identified the existence of impairment indicators and carried out an impairment assessment on its property, plant and equipment. As at 31 March 2021, the Group's carrying amounts of property, plant and equipment largely consisted of freehold and leasehold land and properties of \$10 million and plant and machinery of \$112 million.

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

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

# INDEPENDENT AUDITORS' REPORT

MEMBERS OF CSC HOLDINGS LIMITED

## *How the matter was addressed in our audit:*

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

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

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

## *Other information*

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

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

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

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

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

## *Responsibilities of management and directors for the financial statements*

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

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

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

# INDEPENDENT AUDITORS' REPORT

MEMBERS OF CSC HOLDINGS LIMITED

## *Auditors' responsibilities for the audit of the financial statements*

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

# INDEPENDENT AUDITORS' REPORT

MEMBERS OF CSC HOLDINGS LIMITED

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

### KPMG LLP

*Public Accountants and  
Chartered Accountants*

### Singapore

29 June 2021



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

	Note	Group		Company	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Non-current assets</b>					
Property, plant and equipment	4	124,983	132,466	–	3
Right-of-use assets	5	4,594	8,159	431	–
Goodwill	6	552	1,092	–	–
Investment property	7	212	187	–	–
Investments in:					
– subsidiaries	8	–	–	89,904	102,954
– associates	10	3,260	531	–	–
Other investments	12	162	165	–	–
Contract assets	23	11,679	15,780	–	–
Trade and other receivables	14	3,856	3,114	10,531	10,613
Deferred tax assets	20	42	89	352	301
		149,340	161,583	101,218	113,871
<b>Current assets</b>					
Inventories	13	31,444	31,865	–	–
Contract assets	23	50,485	61,935	–	–
Trade and other receivables	14	58,640	68,776	17,966	13,561
Tax recoverable		414	128	–	–
Cash and cash equivalents	15	34,604	19,179	3,458	265
		175,587	181,883	21,424	13,826
Assets held for sale	16	581	21,114	–	–
		176,168	202,997	21,424	13,826
<b>Total assets</b>		325,508	364,580	122,642	127,697
<b>Equity attributable to owners of the Company</b>					
Share capital	17	94,089	84,389	94,089	84,389
Reserves	18	26,368	38,103	13,544	30,865
		120,457	122,492	107,633	115,254
<b>Non-controlling interests</b>	9	27,234	29,126	–	–
<b>Total equity</b>		147,691	151,618	107,633	115,254
<b>Non-current liabilities</b>					
Loans and borrowings	19	17,756	15,790	2,526	–
Deferred tax liabilities	20	2,052	2,236	–	–
		19,808	18,026	2,526	–
<b>Current liabilities</b>					
Loans and borrowings	19	63,662	80,478	928	5
Contract liabilities	23	574	232	–	–
Trade and other payables	21	85,746	99,209	11,555	12,438
Provisions	22	7,747	7,614	–	–
Current tax payable		280	721	–	–
		158,009	188,254	12,483	12,443
Lease liabilities directly associated with the assets held for sale	16	–	6,682	–	–
		158,009	194,936	12,483	12,443
<b>Total liabilities</b>		177,817	212,962	15,009	12,443
<b>Total equity and liabilities</b>		325,508	364,580	122,642	127,697

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

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

YEAR ENDED 31 MARCH 2021

	Note	2021 \$'000	2020 \$'000
Revenue	23	178,333	342,789
Cost of sales		(167,465)	(298,634)
<b>Gross profit</b>		10,868	44,155
Other income		3,863	2,223
Distribution expenses		(674)	(847)
Administrative expenses		(21,935)	(27,801)
Other operating expenses		(646)	(1,351)
Impairment loss recognised on trade and other receivables and contract assets		(2,353)	(4,221)
<b>Results from operating activities</b>		(10,877)	12,158
Finance income		2,020	1,590
Finance expenses		(3,186)	(5,132)
<b>Net finance expenses</b>	24	(1,166)	(3,542)
Share of loss of associates (net of tax)		(317)	(156)
<b>(Loss)/Profit before tax</b>		(12,360)	8,460
Tax expense	25	(3)	(1,146)
<b>(Loss)/Profit for the year</b>	26	(12,363)	7,314
<b>(Loss)/Profit attributable to:</b>			
Owners of the Company		(10,955)	5,550
Non-controlling interests		(1,408)	1,764
<b>(Loss)/Profit for the year</b>		(12,363)	7,314
<b>(Loss)/Earnings per share</b>	27		
Basic (loss)/earnings per share (cents)		(0.37)	0.23
Diluted (loss)/earnings per share (cents)		(0.37)	0.18

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH 2021

	2021 \$'000	2020 \$'000
<b>(Loss)/Profit for the year</b>	(12,363)	7,314
<b>Other comprehensive (expense)/income</b>		
<b>Item that will not be reclassified to profit or loss:</b>		
Revaluation loss of property, plant and equipment	(492)	(680)
<b>Items that are or may be reclassified subsequently to profit or loss:</b>		
Foreign currency translation differences – foreign operations	(442)	176
<b>Other comprehensive expense for the year, net of tax</b>	(934)	(504)
<b>Total comprehensive (expense)/income for the year</b>	(13,297)	6,810
<b>Total comprehensive (expense)/income attributable to:</b>		
Owners of the Company	(11,735)	4,874
Non-controlling interests	(1,562)	1,936
<b>Total comprehensive (expense)/income for the year</b>	(13,297)	6,810

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2021

	Note	Share capital \$'000	Capital reserve \$'000	Reserve for own shares \$'000
At 1 April 2019		81,635	17,798	(2,354)
<b>Total comprehensive income for the year</b>				
Profit for the year		–	–	–
<b>Other comprehensive income/(expense)</b>				
Foreign currency translation differences		–	–	–
Revaluation loss of property, plant and equipment		–	–	–
Transfer of revaluation surplus of property, plant and equipment		–	–	–
<b>Total other comprehensive income/(expense)</b>		–	–	–
<b>Total comprehensive income/(expense) for the year</b>		–	–	–
<b>Transactions with owners of the Company, recognised directly in equity</b>				
<b>Contributions by and distributions to owners</b>				
Issue of shares from exercise of warrants	17	2,754	–	–
Dividends paid to non-controlling interests		–	–	–
<b>Total contributions by and distributions to owners</b>		2,754	–	–
<b>Changes in ownership interests in a subsidiary</b>				
Acquisition of non-controlling interests without a change in control		–	–	–
<b>Total changes in ownership interests in a subsidiary</b>		–	–	–
<b>Total transactions with owners of the Company</b>		2,754	–	–
At 31 March 2020		84,389	17,798	(2,354)
At 1 April 2020		84,389	17,798	(2,354)
<b>Total comprehensive expense for the year</b>				
Loss for the year		–	–	–
<b>Other comprehensive expense</b>				
Foreign currency translation differences		–	–	–
Revaluation loss of property, plant and equipment		–	–	–
Transfer of revaluation surplus of property, plant and equipment upon disposal		–	–	–
Transfer of revaluation surplus of property, plant and equipment		–	–	–
<b>Total other comprehensive (expense)/income</b>		–	–	–
<b>Total comprehensive expense for the year</b>		–	–	–
<b>Transactions with owners of the Company, recognised directly in equity</b>				
<b>Contributions by and distributions to owners</b>				
Issue of shares from exercise of warrants	17	9,700	–	–
Dividends paid to non-controlling interests		–	–	–
<b>Total contributions by and distributions to owners</b>		9,700	–	–
<b>Total transactions with owners of the Company</b>		9,700	–	–
At 31 March 2021		94,089	17,798	(2,354)



Reserve on consolidation \$'000	Foreign currency translation reserve \$'000	Revaluation reserve \$'000	Other reserve \$'000	Accumulated profits \$'000	Total attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
116	(6,141)	11,719	(881)	13,011	114,903	27,448	142,351
–	–	–	–	5,550	5,550	1,764	7,314
–	4	–	–	–	4	172	176
–	–	(680)	–	–	(680)	–	(680)
–	–	(318)	–	318	–	–	–
–	4	(998)	–	318	(676)	172	(504)
–	4	(998)	–	5,868	4,874	1,936	6,810
–	–	–	–	–	2,754	–	2,754
–	–	–	–	–	–	(105)	(105)
–	–	–	–	–	2,754	(105)	2,649
–	–	–	(39)	–	(39)	(153)	(192)
–	–	–	(39)	–	(39)	(153)	(192)
–	–	–	(39)	–	2,715	(258)	2,457
116	(6,137)	10,721	(920)	18,879	122,492	29,126	151,618
116	(6,137)	10,721	(920)	18,879	122,492	29,126	151,618
–	–	–	–	(10,955)	(10,955)	(1,408)	(12,363)
–	(288)	–	–	–	(288)	(154)	(442)
–	–	(492)	–	–	(492)	–	(492)
–	–	(8,546)	–	8,546	–	–	–
–	–	(298)	–	298	–	–	–
–	(288)	(9,336)	–	8,844	(780)	(154)	(934)
–	(288)	(9,336)	–	(2,111)	(11,735)	(1,562)	(13,297)
–	–	–	–	–	9,700	–	9,700
–	–	–	–	–	–	(330)	(330)
–	–	–	–	–	9,700	(330)	9,370
–	–	–	–	–	9,700	(330)	9,370
116	(6,425)	1,385	(920)	16,768	120,457	27,234	147,691

# CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2021

	Note	2021 \$'000	2020 \$'000
<b>Cash flows from operating activities</b>			
(Loss)/Profit for the year		(12,363)	7,314
Adjustments for:			
Bad debts written back	26	(351)	(10)
Change in fair value of other investment	12	–	240
Depreciation of:			
– property, plant and equipment	4	20,753	24,796
– right-of-use assets	5	5,543	3,968
Distribution of profit from other investment	26	–	173
Gain on disposal of:			
– property, plant and equipment	26	(401)	(993)
– a subsidiary	8(i)	(15)	–
– assets held for sale	26	(2,779)	(259)
Impairment losses recognised on:			
– property, plant and equipment	4	12	236
– goodwill on consolidation	6	540	360
– trade and other receivables and contract assets	26	2,353	4,221
Inventories written down	13	271	219
Inventories written off/(back)	26	28	(12)
Net finance expenses	24	1,166	3,542
Property, plant and equipment written off	26	12	80
Provision for onerous contracts	22	836	1,888
Provision for rectification costs	22	1,729	3,796
Share of loss of associates (net of tax)	10	317	156
Tax expense	25	3	1,146
		<u>17,654</u>	<u>50,861</u>
Changes in:			
– Inventories		(2,659)	(837)
– Contract assets		16,646	19,158
– Trade and other receivables		8,682	(20,147)
– Contract liabilities		342	(3,993)
– Trade and other payables		(15,069)	(1,914)
– Provision utilised for onerous contracts		(1,036)	(1,988)
– Provision utilised for rectification costs		(1,396)	(2,195)
<b>Cash generated from operations</b>		<u>23,164</u>	<u>38,945</u>
Taxes paid		(753)	(372)
Interest received		217	188
<b>Net cash generated from operating activities</b>		<u>22,628</u>	<u>38,761</u>

# CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2021

	Note	2021 \$'000	2020 \$'000
<b>Cash flows from investing activities</b>			
Acquisition of:			
– property, plant and equipment		(5,944)	(9,670)
– investment property		(106)	–
– assets held for sale		(11)	–
Proceeds from government grants for acquisition of property, plant and equipment		50	–
Proceeds from disposal of:			
– property, plant and equipment		883	5,193
– investment property		33	–
– assets held for sale		17,676	1,310
Dilution of interests in a subsidiary, net of cash disposed	8(i)	*	–
Loan repayment from associates		1,893	–
Additional capital injection in an associate	8(i)	(3,800)	–
Shareholder's loan due from an associate		(4,200)	–
<b>Net cash generated from/(used in) investing activities</b>		<b>6,474</b>	<b>(3,167)</b>
<b>Cash flows from financing activities</b>			
Interest paid		(3,107)	(5,139)
Dividends paid to non-controlling interests of a subsidiary		(330)	(105)
Proceeds from:			
– bank loans		38,551	28,663
– refinancing of lease liabilities		1,800	1,071
– bills payable		84,313	175,607
– issue of shares from exercise of warrants, net of expenses		9,700	2,754
Repayment of:			
– bank loans		(32,252)	(32,701)
– bills payable		(95,840)	(181,796)
– lease liabilities		(14,802)	(16,733)
Fixed deposit pledged		–	(150)
<b>Net cash used in financing activities</b>		<b>(11,967)</b>	<b>(28,529)</b>
<b>Net increase in cash and cash equivalents</b>		<b>17,135</b>	<b>7,065</b>
Cash and cash equivalents at 1 April		14,302	7,193
Effect of exchange rate fluctuations on cash held		(111)	44
<b>Cash and cash equivalents at 31 March</b>	15	<b>31,326</b>	<b>14,302</b>

\* Less than \$1,000.

## Significant non-cash transactions

- During the financial year, the Group acquired property, plant and equipment with an aggregate cost of \$8,397,000 (2020: \$12,661,000), of which \$Nil (2020: \$3,039,000) was acquired by means of hire purchase arrangements. At reporting date, the unpaid liabilities from the purchase of property, plant and equipment amounted to \$3,384,000 (2020: \$901,000). The unpaid liabilities for prior year's acquisition of property, plant and equipment amounting to \$881,000 (2020: \$949,000) were paid during the financial year.
- During the financial year, the Group disposed of property, plant and equipment with a carrying amount of \$482,000 (2020: \$4,046,000) for a sale consideration of \$883,000 (2020: \$5,039,000). Sale proceeds of \$Nil (2020: \$154,000) 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 2021

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 29 June 2021.

## 1. DOMICILE AND ACTIVITIES

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

The financial statements of the Group as at and for the year ended 31 March 2021 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 in the period in which the estimates are revised and in any future periods affected.

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 2021

## 2. BASIS OF PREPARATION (CONT'D)

### 2.4 Use of estimates and judgements (cont'd)

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

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

#### Impact of COVID-19

The Group continues to face challenges as the countries in which the Group operates in grapple with new waves of COVID-19 pandemic. As the ongoing COVID-19 pandemic continues to evolve, there is significant uncertainty over the duration of the pandemic and its full range of possible effects on the Group's financial and liquidity positions.

The Group has continued to consider and estimate the impact of the COVID-19 pandemic in the Group's financial position and performance, especially in relation to the following assessments:

- impairment assessment of its property, plant and equipment, inventories, trade receivables and contract assets;
- determination of provisions for rectification costs and onerous contracts; and
- assessment of constraints on variable consideration in relation to revenue recognition.

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 of the COVID-19 pandemic 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 due to the ongoing COVID-19 pandemic, the Group continues to focus on capital and cashflow management, including 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 2021

## 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 16 – Assets and liabilities held for sale; and
- Note 28 – Financial instruments.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 2. BASIS OF PREPARATION (CONT'D)

### 2.5 Changes in accounting policies

The Group has applied the following amendments to SFRS(I)s for the first time for the annual period beginning on 1 April 2020:

- *Amendments to References to Conceptual Framework in SFRS(I) standards*
- *Definition of Business* (Amendments to SFRS(I) 3)
- *Definition of Material* (Amendments to SFRS(I) 1-1 and SFRS(I) 1-8)
- *Interest Rate Benchmark Reform* (Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7)

The application of these amendments to standards does not have a material effect on the financial statements.

## 3. SIGNIFICANT ACCOUNTING POLICIES

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

### 3.1 Basis of consolidation

#### ***Business combinations***

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

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

The Group measures goodwill at the date of acquisition as:

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

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

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.1 Basis of consolidation (cont'd)

#### ***Business combinations (cont'd)***

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.

#### ***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.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.1 Basis of consolidation (cont'd)

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

#### *Joint operations*

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

#### *Transactions eliminated on consolidation*

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

#### *Subsidiaries and associates in the separate financial statements*

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

### 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 FVOCI are recognised in other comprehensive income.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.2 Foreign currency (cont'd)

#### *Foreign operations*

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

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

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

### 3.3 Property, plant and equipment

#### *Recognition and measurement*

##### *Freehold and leasehold land and properties*

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

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

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.



# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.3 Property, plant and equipment (cont'd)

#### *Recognition and measurement (cont'd)*

##### *Plant and equipment*

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

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

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

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

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

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

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

#### *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.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.3 Property, plant and equipment (cont'd)

#### *Depreciation (cont'd)*

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

Leasehold land and properties	15 to 20.8 years
Plant and machinery	5 to 25 years
Office equipment, renovations and furniture and fittings	3 to 10 years
Motor vehicles and containers	5 or 10 years

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

### 3.4 Leases

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

#### *As a lessee*

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

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

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.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.4 Leases (cont'd)

#### *As a lessee (cont'd)*

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

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

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

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

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

#### *Short-term leases and leases of low-value assets*

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

#### *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 2021

## 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 less accumulated depreciation and accumulated impairment losses.

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

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

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each item of investment property. The estimated useful life of investment property is 99 years. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

### 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 2021

## 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.

##### ***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;



# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.7 Financial instruments (cont'd)

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

##### ***Financial assets: Business model assessment (cont'd)***

- 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).

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.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.7 Financial instruments (cont'd)

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

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

###### *Financial assets at FVTPL*

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

###### *Financial assets at amortised cost*

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

###### *Equity investments at FVOCI*

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

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

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

#### (iii) ***Derecognition***

##### ***Financial assets***

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which 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.

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. In these cases, the transferred assets are not derecognised.

##### ***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.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 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 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; 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.

##### *Simplified approach*

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

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.8 Impairment (cont'd)

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

##### *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.

##### *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.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.8 Impairment (cont'd)

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

##### *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.

#### (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 to sell. 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.



# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.8 Impairment (cont'd)

#### (ii) *Non-financial assets (cont'd)*

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.

### 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 and liabilities 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.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 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.

### 3.12 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

#### *Onerous contracts*

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on incremental costs necessary to fulfil the obligation under the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

#### *Rectification costs*

A provision for rectification costs is recognised when the foundation and geotechnical engineering services are performed. The provision is based on actual costs to be incurred for completed projects and estimated costs to be incurred for projects that are still ongoing.

### 3.13 Financial guarantee contracts

Financial guarantee contracts are accounted for as insurance contracts and treated as contingent liabilities until such time as they become probable that the Company will be required to make a payment under the guarantee. A provision is recognised based on the Group's estimate of the ultimate cost of settling all claims incurred but unpaid at the reporting date. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.14 Revenue

Revenue from sale of goods and services is recognised in the ordinary course of business when the Group satisfies a performance obligation (PO) by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The individual standalone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

The transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

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.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.14 Revenue (cont'd)

#### *Trading of plant and equipment*

Revenue from trading of plant and equipment are measured at the fair value of the consideration received or receivable, excluding estimates (subject to constraints) of variable consideration such as returns, trade discounts and volume rebates. Revenue is recognised at the point in time when the Group satisfies a PO by transferring the control over the promised good to the customer.

#### *Rental income*

Rental income receivable under operating leases is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income to be received. Contingent rentals are recognised as income in the accounting period in which they are earned.

### 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 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.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.17 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.



# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 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 yet adopted

A number of new standards and interpretations and amendments to standards are effective for annual periods beginning after 1 April 2021 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following amendments to SFRS(I)s are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position, except SFRS(I) 17.

- SFRS(I) 17 *Insurance Contracts*
- *Classification of Liabilities as Current or Non-current* (Amendments to SFRS(I) 1-1)
- *COVID-19-Related Rent Concessions* (Amendment to SFRS(I) 16)
- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to SFRS(I) 10 and SFRS(I) 1-28)
- *Reference to the Conceptual Framework* (Amendments to SFRS(I) 3)
- *Property, Plant and Equipment – Proceeds before Intended Use* (Amendments to SFRS(I) 1-16)
- *Onerous Contracts – Costs of Fulfilling a Contract* (Amendments to SFRS(I) 1-37)
- *Annual Improvements to SFRS(I)s 2018-2020*

SFRS(I) 17, when effective, will change the existing accounting standards and guidance applied by the Company in accounting for intra-group financial guarantee contracts, which are currently accounted for as insurance contracts. As such, this standard is expected to be relevant to the Company. The Company is currently assessing the impact of SFRS(I) 17 and plans to adopt the new standard on the recognised effective date.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 4. PROPERTY, PLANT AND EQUIPMENT

	Freehold land \$'000	Leasehold land and properties \$'000	Assets under construction \$'000	Plant and machinery \$'000	Office equipment, renovations and furniture and fittings \$'000	Motor vehicles and containers \$'000	Total \$'000
<b>Group</b>							
<b>Cost/valuation</b>							
At 1 April 2019	896	12,220	34	336,458	13,021	5,129	367,758
Additions	–	7	115	11,402	794	343	12,661
Reclassification from inventories	–	–	–	12,664	–	–	12,664
Reclassification (to)/from assets held for sale (see note 16)	–	–	(149)	3,294	–	–	3,145
Revaluation	–	(681)	–	–	–	–	(681)
Elimination of accumulated depreciation against cost on revaluation	–	(1,046)	–	–	–	–	(1,046)
Disposals/write-offs	–	–	–	(8,456)	(27)	(120)	(8,603)
Transfer to inventories	–	–	–	(4,107)	–	–	(4,107)
Effect of movements in exchange rates	(6)	–	–	584	20	7	605
At 31 March 2020	890	10,500	–	351,839	13,808	5,359	382,396
Additions	–	20	–	7,930	393	54	8,397
Reclassification from inventories	–	–	–	7,159	–	–	7,159
Reclassification from assets held for sale (see note 16)	–	–	–	622	–	–	622
Revaluation	–	(492)	–	–	–	–	(492)
Elimination of accumulated depreciation against cost on revaluation	–	(828)	–	–	–	–	(828)
Disposals/write-offs	–	–	–	(2,254)	(56)	(645)	(2,955)
Transfer to inventories	–	–	–	(7,764)	–	–	(7,764)
Effect of movements in exchange rates	(14)	–	–	(1,467)	(39)	(14)	(1,534)
At 31 March 2021	876	9,200	–	356,065	14,106	4,754	385,001

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land \$'000	Leasehold land and properties \$'000	Assets under construction \$'000	Plant and machinery \$'000	Office equipment, renovations and furniture and fittings \$'000	Motor vehicles and containers \$'000	Total \$'000
<b>Group</b>							
<b>Accumulated depreciation and impairment losses</b>							
At 1 April 2019	–	–	–	216,905	10,457	3,295	230,657
Depreciation charge for the year	–	1,046	–	22,035	1,172	543	24,796
Impairment losses	–	–	–	236	–	–	236
Reclassification from assets held for sale (see note 16)	–	–	–	2,443	–	–	2,443
Elimination of accumulated depreciation against cost on revaluation	–	(1,046)	–	–	–	–	(1,046)
Disposals/write-offs	–	–	–	(4,343)	(16)	(118)	(4,477)
Transfer to inventories	–	–	–	(2,769)	–	–	(2,769)
Effect of movements in exchange rates	–	–	–	70	14	6	90
At 31 March 2020	–	–	–	234,577	11,627	3,726	249,930
Depreciation charge for the year	–	828	–	18,904	544	477	20,753
Impairment losses	–	–	–	12	–	–	12
Reclassification from assets held for sale (see note 16)	–	–	–	315	–	–	315
Elimination of accumulated depreciation against cost on revaluation	–	(828)	–	–	–	–	(828)
Disposals/write-offs	–	–	–	(1,773)	(56)	(632)	(2,461)
Transfer to inventories	–	–	–	(6,900)	–	–	(6,900)
Effect of movements in exchange rates	–	–	–	(764)	(27)	(12)	(803)
At 31 March 2021	–	–	–	244,371	12,088	3,559	260,018
<b>Carrying amounts</b>							
At 1 April 2019	896	12,220	34	119,553	2,564	1,834	137,101
At 31 March 2020	890	10,500	–	117,262	2,181	1,633	132,466
At 31 March 2021	876	9,200	–	111,694	2,018	1,195	124,983

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Office equipment, renovations and furniture and fittings \$'000
<b>Company</b>	
<b>Cost</b>	
At 1 April 2019 and 31 March 2020	68
Disposals/write-offs	(47)
At 31 March 2021	21
<b>Accumulated depreciation</b>	
At 1 April 2019	56
Depreciation charge for the year	9
At 31 March 2020	65
Depreciation charge for the year	3
Disposals/write-offs	(47)
At 31 March 2021	21
<b>Carrying amounts</b>	
At 1 April 2019	12
At 31 March 2020	3
At 31 March 2021	—

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

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Plant and machinery	26,916	35,705	—	—
Office equipment, renovations and furniture and fittings	—	14	—	3
Motor vehicles	993	1,295	—	—
	27,909	37,014	—	3

- (ii) Leasehold land and properties, and plant and machinery of the Group with total carrying amounts of \$8,100,000 (2020: \$9,824,000) 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 on 31 March 2021 based on valuations performed by independent professional valuers. The loss of \$492,000 (2020: \$680,000) arising from the revaluations has been debited to 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 adjustments made by the valuers for the size, remaining tenure, condition, and location of the property on the comparable sales prices of an average of 5.8% (2020: 3.5%). 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 \$101,000 (2020: \$114,000) and decrease/(increase) in other comprehensive income (and revaluation reserve) of \$101,000 (2020: \$114,000). 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 2021 would have been \$8,691,000 (2020: \$9,215,000).

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (iv) Impairment loss is recognised when events and circumstances indicate that the plant and machinery may be impaired and the carrying amounts of the plant and machinery exceed their recoverable amounts. As a result of the challenging macro environment due to the COVID-19 pandemic, 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 adjustments made by the valuer for the size, specifications and age of the equipment and machinery on the comparable sales prices of an average of 48.0% (2020: 32.0%). 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 \$1,124,000 (2020: \$1,065,000) and decrease/(increase) in profit or loss (and accumulated profits) of \$118,000 (2020: \$39,000).

As a result of the determination of recoverable amounts, a total impairment loss of \$Nil (2020: \$165,000) and \$12,000 (2020: \$71,000) were recognised on certain plant and machinery in the foundation engineering business segment and sales and lease of equipment business segment respectively. The impairment loss was recognised under other operating expenses in the consolidated statement of profit or loss.

- (v) The following are the significant accounting estimates on the Group's property, plant and equipment and judgements in applying accounting policies:

### ***Impairment assessment of plant and equipment***

The Group has made substantial investments in plant and equipment for its foundation engineering and sales and lease of equipment businesses. Changes in technology, intended use of these assets and macro environment may cause the estimated period of use or value of these assets to change.

The Group considers its asset impairment accounting policy to be a policy that requires extensive applications of judgements and estimates by management.

Management judgement is required in the area of asset impairment, particularly in assessing whether an event has occurred that may indicate that the related asset values may not be recoverable and whether the carrying value of an asset can be supported by its recoverable amount.

The fair value less costs of disposal calculation is based on available data from binding sales transaction, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset, net of certain adjustments made for the specifications of the asset. Changing the adjustments made could materially affect the fair value less costs of disposal and recoverable amounts and hence, the Group's financial condition and results of operations.

### ***Classification of assets***

On initial recognition, assets purchased for own use or rental purposes are classified as property, plant and equipment and assets purchased for trading purposes are classified as inventories. Judgement is involved when assessing and ensuring that the classification appropriately reflects the economic use of the assets.



# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 5. LEASES

### Leases as lessee

The Group leases a number of offices, storage yards and motor vehicles. These leases typically run for an initial period of 6 months to 28 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.

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 2019	271	6,984	–	1,613	8,868
Additions	–	2,665	–	594	3,259
Depreciation charge for the year	(37)	(3,192)	–	(739)	(3,968)
At 31 March 2020	234	6,457	–	1,468	8,159
At 1 April 2020	234	6,457	–	1,468	8,159
Additions	–	1,553	185	240	1,978
Depreciation charge for the year	(38)	(4,659)	(31)	(815)	(5,543)
At 31 March 2021	196	3,351	154	893	4,594

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

At 1 April 2020	–	–	–
Additions	786	24	810
Depreciation charge for the year	(377)	(2)	(379)
At 31 March 2021	409	22	431

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 5. LEASES (CONT'D)

### Amounts recognised in profit or loss

	2021 \$'000	2020 \$'000
Interest on lease liabilities	323	657
Expenses relating to short-term leases	11,268	17,382

### Amounts recognised in consolidated statement of cash flow

	2021 \$'000	2020 \$'000
Total cash outflow for leases	5,857	4,724

### Extension options

Some leases contain extension options exercisable by the Group up to 6 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 \$2,966,000 (2020: \$1,282,000).

### Leases as lessor

The Group leases out its machinery and equipment. All leases are classified as operating leases from a lessor perspective.

### 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 2021 was \$9,034,000 (2020: \$13,989,000).

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

	2021 \$'000	2020 \$'000
Less than one year	350	–

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 6. GOODWILL

	Goodwill on consolidation \$'000
<b>Group</b>	
<b>Cost</b>	
At 1 April 2019, 31 March 2020 and 31 March 2021	2,539
<b>Accumulated impairment losses</b>	
At 1 April 2019	1,087
Impairment loss recognised	360
At 31 March 2020	1,447
Impairment loss recognised	540
At 31 March 2021	1,987
<b>Carrying amounts</b>	
At 1 April 2019	1,452
At 31 March 2020	1,092
At 31 March 2021	552

### *Impairment testing for cash-generating units containing goodwill*

For the purpose of impairment testing, goodwill has been allocated to the following cash-generating units which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes:

	2021 \$'000	2020 \$'000
Soil Investigation Pte Ltd ("SI")	–	540
Wisescan Engineering Services Pte Ltd ("WES")	552	552
	552	1,092

The Group has determined the recoverable amounts of SI and WES cash-generating units 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 each unit. The cash flow projections are based on financial budgets covering a five-year (2020: five-year) period.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 6. GOODWILL (CONT'D)

The key assumptions used for value in use calculations are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical and current data from both external and internal sources.

	SI		WES	
	2021 %	2020 %	2021 %	2020 %
	Y1: 55.6	Y1: -41.0	Y1: 27.8	
	Y2: 5.0	Y2: 76.0	Y2: 5.0	Y1: -47.0
	Y3: 4.0	Y3: 2.0	Y3: 3.0	Y2: 68.0
Revenue growth rate	Y4 – Y5: 0	Y4 – Y5: 0	Y4 – Y5: 0	Y3 – Y5: 0
Terminal growth rate	0	0	0	0
Pre-tax discount rate	11.3	10.3	11.2	10.3

In the estimation of future cash flows, the Group considered the progress of its projects and expected project costs. The forecasts of future projects also took into account existing business negotiations with customers and current and expected market conditions, including the recovery from the COVID-19 pandemic. As projects have been resumed from the delay during the current financial year due to the COVID-19 pandemic, the Group expected operations to stabilise in the future years as economies recover, and hence, assumed an accelerated recovery in the first year. The terminal growth rate was determined based on management's estimate of long-term compound annual EBITDA, consistent with the assumptions that a market participant would make. The pre-tax discount rates used were estimated based on an appropriate required rate of return on invested capital and reflect the specific risks relating to the cash-generating unit.

As the recoverable amount of the SI cash-generating unit was lower than the carrying amount, an impairment loss of \$540,000 (2020: \$360,000) was recognised on the cash generating unit relating to SI. The impairment loss was recognised under other operating expenses in the consolidated statement of profit or loss. No impairment loss was required for the WES cash-generating unit in the current year as its recoverable amount was higher than its carrying amount.

The Group believes that any reasonably possible changes in the above key assumptions relating to WES are not likely to cause its recoverable amounts to be materially lower than its carrying amount.

## 7. INVESTMENT PROPERTY

	2021 \$'000	2020 \$'000
At 1 April	187	–
Additions	106	187
Disposals/write-offs	(78)	–
Translation differences	(3)	*
At 31 March	212	187

\* Less than \$1,000

As at 31 March 2021, the residential properties still remain under construction and hence, the fair values cannot be measured reliably.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2021 \$'000	2020 \$'000
Equity investment, at cost	134,129	131,129
Impairment losses	(44,225)	(28,175)
	<u>89,904</u>	<u>102,954</u>

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

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

On 6 May 2020, the Group entered into a conditional subscription agreement ("the Subscription Agreement") with several parties (collectively, the "Subscribers") to jointly undertake a proposed redevelopment of a leasehold land and property classified as held for sale as at 31 March 2020. The purchase of the leasehold land and property was to be funded by amounts raised from the issuance of preference shares as detailed below.

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

On 18 May 2020, pursuant to the Subscription Agreement, 2TPCI issued 19,000,100 new preference shares at \$1 each to the Subscribers, of which only 3,800,020, which makes up 20% of preference shares, were subscribed by the Group.

Based on the terms and conditions set out in the subscription and shareholders agreements, the shareholders' voting rights and power to participate in the investee's financial and operating policy decisions vest only in the preference shares and not the ordinary shares. Hence, with 20% of preference shares that the Group holds in 2TPCI, the Group lost control of 2TPCI and only retains significant influence over 2TPCI. As a result, on 18 May 2020, the Group reclassified the investment in 2TPCI from an investment in a subsidiary to an investment in an associate.

The effect on the Group's cash flows arising from the dilution is set out below:

	\$'000
Trade and other receivables	161
Cash and cash equivalents	*
Trade and other payables	(180)
Net liabilities at the date of dilution	(19)
Gain on disposal of a subsidiary	15
Less: Fair value of retained interests	(3,796)
Additional capital injection in an associate	<u>(3,800)</u>

\* Less than \$1,000



# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (ii) Certain non-trade amounts due from subsidiaries of \$3,000,000 (2020: \$5,080,000) were capitalised and recorded by the Company as an increase in cost of investment in the subsidiaries during the current financial year.
- (iii) A partially-owned subsidiary, ICE Far East Offshore Pte. Ltd., was struck off voluntarily in the current financial year.

### Impairment losses

The change in impairment losses in respect of investments in subsidiaries during the year is as follows:

	Company	
	2021	2020
	\$'000	\$'000
At 1 April	28,175	9,307
Impairment losses recognised	16,050	19,868
Impairment loss utilised	–	(1,000)
At 31 March	44,225	28,175

In the current year, the Company identified indicators of impairment on its investment in a subsidiary due to continued operating losses by that subsidiary. The Company determined the recoverable amount of the investment in subsidiary based on value in use calculations. The value in use was determined by discounting the expected future cash flows generated from the continuing operations of the subsidiary. The cash flow projections are based on financial budgets covering a five-year period (2020: five-year period).

The key assumptions used for value in use calculations are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical and current data from both external and internal sources.

	2021	2020
	%	%
	Y1: 142.4	Y1: 20.0
	Y2: 6.0	Y2: 36.1
	Y3 – Y5: 6.0	Y3 – Y5: 2.0
Revenue growth rate	0	0
Terminal growth rate	12.6	12.1
Pre-tax discount rate		

The Group considered the progress of its projects and expected project costs in the estimation of future cash flows. Revenue growth rate for the first year of projection was based on cash flows from secured projects, while the forecasts of future projects took into account of existing business negotiations with customers and current and expected market conditions, including the recovery and stabilisation of operations after COVID-19. The terminal growth rate was determined based on management's estimate of long-term compound annual EBITDA, consistent with the assumptions that a market participant would make. The pre-tax discount rates used were estimated based on an appropriate required rate of return on invested capital and reflect the specific risks relating to the subsidiary.

As the recoverable amount of the investment in the subsidiary was lower than the carrying amount, the Company recognised an impairment loss of \$16,050,000 (2020: \$19,700,000) in the financial year ended 31 March 2021.

The remaining impairment loss of \$168,000 in prior financial year related to the full impairment of investment in a dormant subsidiary.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

### Impairment losses (cont'd)

#### Sensitivity analysis

The impact of possible changes at the reporting date to one of the relevant key assumptions, holding other assumptions constant, would result in a decrease in recoverable amount as follows:

	Decrease in recoverable amount \$'000
Revenue growth rate (1% decrease)	5,140
Pre-tax discount rate (1% increase)	1,796

#### 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		
			2021	2020	
			%	%	
<i>Held by Company</i>					
+ 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	46.75	46.75	

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 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	
			2021 %	2020 %

### *Held by Company (cont'd)*

* ICE Far East Sdn. Bhd.	Trading and rental of piling hammers and other foundation equipment	Malaysia	46.75	46.75
# ICE Far East (HK) Limited	Rental of machinery and other related services	Hong Kong	46.75	46.75
* ICE Far East (Thailand) Co., Ltd	Trading and rental of machinery and other related services	Thailand	46.75	46.75
^ ICE Far East Offshore Pte. Ltd.	Trading and rental of foundation engineering equipment and other related services (struck off during the year)	Singapore	–	46.75
# IMT–THL India Private Limited	Trading and rental of construction equipment and related parts	India	55	55
# THL Foundation Equipment (Philippines) Inc	Wholesale trading of equipment, spare parts and consumable items	Philippines	55	55
# 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
* 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 2021

## 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	
			2021 %	2020 %
Held by Company (cont'd)				
+ Soil Investigation Pte. Ltd.	Investment holding, 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	Singapore	100	100
+ CS Industrial Properties Pte. Ltd.	Investment holding	Singapore	100	100
+ CS Real Estate Investments Pte Ltd and its subsidiaries:	Investment holding, property development, property investment, property management and other related activities	Singapore	100	100
# 2TPC Investments Pte. Ltd. ("2TPCI") and its subsidiary:	Investment holding, real estate activities with owned or leased properties	Singapore	20^^	100
# 2TPC Pte. Ltd.	Real estate activities with owned or leased properties	Singapore	20	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

^ ICE Far East Offshore Pte. Ltd. was struck off during the year.

^^ During the year, the Group's effective interest in 2TPCI was diluted from 100% to 20% and 2TPCI was subsequently classified as investment in associates (see note 10).

Although the Group owns less than half of ICE Far East Pte. Ltd. and its subsidiaries, management has determined that the Group has control over these entities by virtue of the shareholders' agreement with its other investors. Based on the terms of agreements under which these entities were established, the Group receives substantial returns related to their operations and net assets and, through the Board of Directors, has the current ability to direct the activities of these entities that most significantly affect their returns.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 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	
			2021 %	2020 %
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
<b>2021</b>				
Revenue	39,909	5,702		
(Loss)/Profit	(2,255)	998		
Other comprehensive expense	(303)	–		
<b>Total comprehensive (expense)/income</b>	<b>(2,558)</b>	<b>998</b>		
Attributable to NCI:				
– (Loss)/Profit	(1,248)	299	(459)	(1,408)
– Other comprehensive expense	(154)	–	–	(154)
<b>Total comprehensive (expense)/income</b>	<b>(1,402)</b>	<b>299</b>	<b>(459)</b>	<b>(1,562)</b>
Non-current assets	54,545	2,779		
Current assets	64,035	8,632		
Non-current liabilities	(9,330)	(286)		
Current liabilities	(54,460)	(2,225)		
<b>Net assets</b>	<b>54,790</b>	<b>8,900</b>		
<b>Net assets attributable to NCI</b>	<b>26,671</b>	<b>2,670</b>	<b>(2,107)</b>	<b>27,234</b>
Cash flows from operating activities	11,085	2,882		
Cash flows from/(used in) investing activities	40	(289)		
Cash flows used in financing activities				
(including dividends paid to NCI of \$330,000)	(12,583)	(341)		
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,458)</b>	<b>2,252</b>		



# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 9. NON-CONTROLLING INTERESTS (CONT'D)

	THLFE Group \$'000	WES \$'000	Intra-group elimination \$'000	Total \$'000
<b>2020</b>				
Revenue	64,811	8,587		
Profit	2,563	1,253		
Other comprehensive income	352	–		
<b>Total comprehensive income</b>	<b>2,915</b>	<b>1,253</b>		
Attributable to NCI:				
– Profit	1,295	376	93	1,764
– Other comprehensive income	172	–	–	172
<b>Total comprehensive income</b>	<b>1,467</b>	<b>376</b>	<b>93</b>	<b>1,936</b>
Non-current assets	53,005	3,266		
Current assets	59,402	8,027		
Non-current liabilities	(7,694)	(271)		
Current liabilities	(54,902)	(2,020)		
<b>Net assets</b>	<b>49,811</b>	<b>9,002</b>		
<b>Net assets attributable to NCI</b>	<b>28,097</b>	<b>2,701</b>	<b>(1,672)</b>	<b>29,126</b>
Cash flows from operating activities	10,610	689		
Cash flows from/(used in) investing activities	849	(513)		
Cash flows used in financing activities				
(including dividends paid to NCI of \$105,000)	(7,989)	(487)		
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3,470</b>	<b>(311)</b>		

### Acquisition of non-controlling interests of a subsidiary

#### THL Foundation Equipment (Myanmar) Company Limited

On 31 March 2020, the Group acquired additional 5.5% effective equity interest in THL Foundation Equipment (Myanmar) Company Limited ("THLM") for a purchase consideration of \$192,000 by way of capitalisation of other receivables. Following this, the Group's effective equity interest in THLM increased from 49.5% to 55% in prior financial year.

The carrying amount of THLM's net assets in the Group's financial statements on the date of the acquisition was \$1,375,000. The Group recognised a decrease in other reserve and non-controlling interests of \$39,000 and \$153,000 respectively in prior financial year.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 10. INVESTMENT IN ASSOCIATES

	Group	
	2021 \$'000	2020 \$'000
Unquoted equity investments	3,260	531

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	
			2021 %	2020 %
WB TOP3 Development Sdn. Bhd.	Strategic investment in property development project in Malaysia	Malaysia	19	19
Coriolis Hertford Limited <sup>(1)</sup>	Strategic investor in property development project in United Kingdom	Hong Kong	21	21
Coldhams Alliance Pte. Ltd. <sup>(1)</sup>	Strategic investor in property development project in United Kingdom	Singapore	47.5	47.5
2TPCI and its subsidiary ("2TPC Group") <sup>(2)</sup>	Investment holding, real estate activities with owned or leased properties	Singapore	20	100
2TPC Pte. Ltd.	Real estate activities with owned or leased properties	Singapore	20	100

<sup>(1)</sup> These associates are not considered to be individually significant.

<sup>(2)</sup> During the year, the Group's effective interest in 2TPCI was diluted from 100% to 20% and 2TPCI and its subsidiary were subsequently classified as investment in associates.

- (i) As at 31 March 2021, 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) Based on the terms and conditions set out in the subscription and shareholders agreements, the shareholders' voting rights and power to participate in the investee's financial and operating policy decisions vest only in the preference shares and not the ordinary shares. Hence, with 20% of preference shares that the Group holds in 2TPCI, the Group only has significant influence over 2TPCI (see note 8(i)).

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 10. INVESTMENT IN ASSOCIATES (CONT'D)

The following table summarises the financial information of the Group's interests in WB TOP3 and 2TPC Group, based on its financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies. The table also analyses, in aggregate, the carrying amount and share of profit or loss and other comprehensive income of the remaining individually immaterial associates.

	WB TOP3 \$'000	2TPC Group \$'000	Immaterial associates \$'000	Total \$'000
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### 2021

Revenue	28	–		
Loss after tax	(515)	(1,284)		
Other comprehensive expense	(42)	–		
<b>Total comprehensive expense</b>	<b>(557)</b>	<b>(1,284)</b>		
Attributable to investee's shareholders	(557)	(1,284)		
Non-current assets	129	35,879		
Current assets	15,180	1,560		
Non-current liabilities	(13,067)	(17,057)		
Current liabilities	(6)	(6,207)		
<b>Net assets</b>	<b>2,236</b>	<b>14,175</b>		
Attributable to investee's shareholders	2,236	14,175		
<b>Group's interest in net assets of investee at beginning of the year</b>	531	–	–	531
Addition during the year	–	3,796	–	3,796
Share of total comprehensive (expense)/income				
– (Loss)/Profit after tax	(97)	(257)	37	(317)
– Other comprehensive expense	(8)	–	–	(8)
	(105)	(257)	37	(325)
Elimination of unrealised profit on transaction with an associate	–	(705)	–	(705)
Reclassified from trade and other payables	–	–	(37)	(37)
<b>Carrying amount of interest in investee at end of the year</b>	<b>426</b>	<b>2,834</b>	<b>–</b>	<b>3,260</b>

	WB TOP3 \$'000	Immaterial associates \$'000	Total \$'000
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### 2020

Revenue	46		
Loss after tax	(576)		
Other comprehensive expense	(24)		
<b>Total comprehensive expense</b>	<b>(600)</b>		
Attributable to investee's shareholders	(600)		
Non-current assets	161		
Current assets	15,664		
Non-current liabilities	(13,032)		
<b>Net assets</b>	<b>2,793</b>		
Attributable to investee's shareholders	2,793		
<b>Group's interest in net assets of investee at beginning of the year</b>	645	6	651
Share of total comprehensive expense			
– Loss after tax	(109)	(47)	(156)
– Other comprehensive expense	(5)	–	(5)
	(114)	(47)	(161)
Reclassified to trade and other payables	–	41	41
<b>Carrying amount of interest in investee at end of the year</b>	<b>531</b>	<b>–</b>	<b>531</b>

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 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	
			2021 %	2020 %
<i>Held by CS Industrial Properties Pte. Ltd.</i>				
# NHCS Investment Pte. Ltd. and its subsidiary:	Investment holding	Singapore	49	49
# NH Singapore Biotechnology Pte. Ltd.	Providing fabrication, repair and maintenance facilities for heavy machinery	Singapore	49	49

# Audited by another firm of public accountants and chartered accountants.

At the reporting date, the Company had issued guarantees to a bank in respect of bank facilities granted to NHBT amounting to \$4,432,000 (2020: \$4,832,000) for the Group's share of the 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 2021

## 12. OTHER INVESTMENTS

	Group	
	2021	2020
	\$'000	\$'000
<b>Non-current investments</b>		
Equity investments – at FVOCI	162	165
Debt investments – mandatorily at FVTPL	–	–
	<u>162</u>	<u>165</u>

### 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 and there were no transfers of any cumulative gain or loss within equity, relating to this investment, during the years ended 31 March 2021 and 31 March 2020.

### Debt investments – mandatorily at FVTPL

On 14 December 2017, the Group entered into an Investment Agreement (the "Agreement"), to subscribe for \$240,000 of unsecured convertible notes (the "Notes") issued by Ackcio Pte. Ltd. ("Ackcio"). The Notes were subscribed over 6 monthly instalments of \$40,000 each, commencing from January 2018.

The Notes are unsecured and bear interest of 5% per annum. The Group is entitled to elect, at its sole and absolute discretion, either (i) to redeem the Notes at the redemption price (principal amount and unpaid interest accrued) on the third anniversary of the issue date of the Notes (i.e. 14 March 2021) ("Maturity Date") or other date mutually agreed between the Group and Ackcio, or (ii) to convert the Notes into 685,714 new redeemable convertible preferences shares in the share capital of Ackcio at any time after the issue date of the Notes but before and on the Maturity Date.

The Notes were designated at fair value through profit or loss because they were managed on a fair value basis and their performance was actively monitored.

On 14 February 2021, the Group obtained an extension of the Maturity Date to 30 June 2021 and the Notes continues to be designated as fair value through profit or loss as at 31 March 2021.

The fair value as at 31 March 2021 is \$Nil (2020: \$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 2021

## 13. Inventories

	Group	
	2021 \$'000	2020 \$'000
Equipment and machinery, at cost	18,532	16,430
Equipment and machinery, at net realisable value	1,746	1,490
Spare parts	9,188	11,925
Raw materials	1,978	2,020
	31,444	31,865
Allowance for obsolete inventories	*	*
	31,444	31,865

\* Less than \$1,000

The cost of inventories recognised in cost of sales amounted to \$55,837,000 (2020: \$115,359,000).

Included in the above are inventories amounting to \$2,774,000 (2020: \$931,000) acquired under hire purchase agreements (note 19).

As at 31 March 2021, the write down of inventories to net realisable value amounted to \$271,000 (2020: \$219,000) 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 2021 and 31 March 2020.

### Source of estimation uncertainty

For the financial year ended 31 March 2021, 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 2021

## 14. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<b>Non-current assets</b>				
Trade receivables	3,173	1,099	–	–
Amount owing by:				
– subsidiaries (non-trade)	–	–	17,637	12,142
– impairment losses	–	–	(7,106)	(1,529)
	–	–	10,531	10,613
Loans owing by:				
– associates	78	1,438	–	–
– impairment losses	(5)	(46)	–	–
	73	1,392	–	–
– a third party (THAB – other investment)	653	648	–	–
– impairment losses	(43)	(25)	–	–
	610	623	–	–
	3,856	3,114	10,531	10,613
<b>Current assets</b>				
Trade receivables	49,433	63,186	1	1
Impairment losses	(7,806)	(7,450)	(1)	(1)
	41,627	55,736	–	–
Other receivables	5,099	4,212	240	194
Impairment losses	(1)	(1)	(1)	(1)
	5,098	4,211	239	193
Loan owing by:				
– an associate	4,200	282	–	–
– impairment losses	–	(9)	–	–
	4,200	273	–	–
Amounts owing by:				
– subsidiaries (trade)	–	–	1,467	4,561
– impairment losses	–	–	(22)	(418)
	–	–	1,445	4,143
– subsidiaries (non-trade)	–	–	16,242	10,066
– impairment losses	–	–	(278)	(855)
	–	–	15,964	9,211
– associates (non-trade)	1,355	1,508	1	–
– impairment losses	(443)	(413)	–	–
	912	1,095	1	–
– related corporations (trade)	903	1,683	–	–
– impairment losses	(8)	–	–	–
	895	1,683	–	–
– a third party (THAB – other investment) (non-trade)	1,892	1,870	–	–
– impairment losses	(124)	(73)	–	–
	1,768	1,797	–	–
Deposits	54,500	64,795	17,649	13,547
	3,235	2,983	300	7
Prepayments	57,735	67,778	17,949	13,554
	905	998	17	7
	58,640	68,776	17,966	13,561

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 14. TRADE AND OTHER RECEIVABLES (CONT'D)

The non-current non-trade amount owing by subsidiaries is unsecured, interest-free and repayable on demand. However, the Company is not expecting settlement to occur within the next 12 months.

The non-current loans owing by the associates are unsecured, interest-free and repayable on demand. However, the Group is not expecting settlement to occur within the next 12 months.

The current loan owing by an associate of \$4,200,000 in the current financial year bears interest of 2.49% per annum and is expected to be settled in new shares of the associate within the next 12 months. The current loan owing by an associate in prior year was unsecured, interest-free and repayable on demand.

All the outstanding current non-trade balances with subsidiaries and associates are unsecured, interest-free and repayable on demand.

The non-current loan and current non-trade amount owing by a third party 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 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.

## 15. CASH AND CASH EQUIVALENTS

	Note	Group		Company	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Cash at bank and in hand		31,566	15,105	3,458	265
Fixed deposits		3,038	4,074	–	–
Cash and cash equivalents in the statements of financial position		34,604	19,179	3,458	265
Bank overdrafts	19	(3,128)	(4,727)		
Fixed deposit pledged		(150)	(150)		
Cash and cash equivalents in the consolidated statement of cash flow		31,326	14,302		

A fixed deposit amounting to \$150,000 (2020: \$150,000) was pledged to a bank for bank facilities extended by the bank to the Group (note 19).

The bank overdrafts are unsecured and guaranteed by the Company.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 16. ASSETS AND LIABILITIES HELD FOR SALE

	Group	
	2021	2020
	\$'000	\$'000
<b>Assets held for sale</b>		
Leasehold land and properties <sup>(i)</sup>	581	20,736
Plant and machinery <sup>(ii)</sup>	–	378
	<u>581</u>	<u>21,114</u>
<b>Liabilities associated with assets held for sale</b>		
Lease liabilities <sup>(i)</sup>	<u>–</u>	<u>(6,682)</u>

- (i) A leasehold land and property in Singapore, which was part of the assets of the foundation and geotechnical engineering segment, with carrying amount of \$13,135,000 was classified as asset held for sale as at 31 March 2019, in view of the Group's intent and commitment through the commencement of negotiations with the potential purchaser and the relevant regulatory authorities to sell the leasehold land and property within the next 12 months. On 1 April 2019, right-of-use assets and corresponding lease liabilities of \$6,922,000 in relation to the leasehold land were reclassified to assets and liabilities held for sale respectively, upon adoption of SFRS(I) 16. Due to the necessary approval required from the relevant regulatory authorities, the Group was only able to complete the sale of the leasehold land and property for a cash consideration of \$16,918,000 in May 2020. A gain of \$2,818,000, after elimination of unrealised profit of \$705,000, was recognised in the consolidated statement of profit or loss.

Prior to the disposal, the leasehold property was mortgaged to a bank as security for bank facility extended by the bank to the Group (note 19).

The sale of leasehold properties with carrying amounts of \$47,000, which were transferred to assets held for sale during the year, was completed during the year. There was no gain or loss recognised in the consolidated statement of profit or loss.

The sale of other leasehold properties with carrying amounts of \$679,000, which were classified as held for sale in prior year, was completed during the year. A loss of \$39,000 was recognised in the consolidated statement of profit or loss.

Other leasehold properties which are also part of the assets of the foundation and geotechnical engineering segment, with carrying amount of \$581,000 as at 31 March 2021 (2020: \$679,000) were classified as held for sale as at 31 March 2021. They are measured according to the Group's policy stated in note 3.10 and the sales are expected to be completed within the next 12 months.

- (ii) The sale of plant and machinery with carrying amounts of \$71,000, which were classified as held for sale in prior year, was completed during the year. There was no gain or loss recognised in the consolidated statement of profit or loss.

The Group classified certain plant and machinery with carrying amount of \$307,000, as held for sale in prior year as the Group had an active marketing campaign to dispose of the plant and machinery within the next 12 months. The Group reassessed the economic use of the plant and machinery during the year and subsequently reclassified the plant and machinery from "assets held for sale" to "property, plant and equipment" as at 31 March 2021.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 17. SHARE CAPITAL

	Group and Company			
	2021		2020	
	No. of shares	\$'000	No. of shares	\$'000

### Issued and fully-paid ordinary shares

#### with no par value:

At 1 April	2,618,310,336	84,389	2,342,882,546	81,635
Exercise of warrants	970,037,840	9,700	275,427,790	2,754
At 31 March	3,588,348,176	94,089	2,618,310,336	84,389

All shares (excluding treasury shares) rank equally with regard to the Company's residual assets.

### Ordinary shares

The holders of ordinary shares (excluding treasury shares) are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All rights attached to the Company's shares held by the Group are suspended until those shares are reissued.

On 30 December 2015, the Company issued 403,241,241 new ordinary shares in the capital of the Company at \$0.025 each and 2,016,206,205 free detachable warrants ("Rights cum Warrants Issue"). Each warrant carries the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of \$0.01 and is exercisable during a five year period from the date of issue. The warrants expired on 29 December 2020.

During the financial year, 970,037,840 (2020: 275,427,790) shares were issued upon exercise of 970,037,840 (2020: 275,427,790) warrants at \$0.01 each, pursuant to the Rights cum Warrants Issue. As at 31 March 2021, there were no outstanding warrants (2020: 1,031,380,835) for conversion into ordinary shares (2020: 1,031,380,835).

There were no buy-back of ordinary shares during the financial year. As at reporting date, the Company held 20,520,000 (2020: 20,520,000) 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	
	2021	2020
	\$'000	\$'000
Loans and borrowings (excluding lease liabilities associated with right-of-use assets) (note 19)	76,653	87,968
Total equity	147,691	151,618
Gearing ratio	52%	58%

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 2021

## 18. RESERVES

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

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Capital reserve	17,798	17,798	17,798	17,798
Reserve for own shares	(2,354)	(2,354)	(2,354)	(2,354)
Reserve on consolidation	116	116	–	–
Foreign currency translation reserve	(6,425)	(6,137)	–	–
Revaluation reserve	1,385	10,721	–	–
Other reserve	(920)	(920)	–	–
Accumulated profits/(losses)	16,768	18,879	(1,900)	15,421
	<u>26,368</u>	<u>38,103</u>	<u>13,544</u>	<u>30,865</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 Article 142 of the Articles of Association 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 the revaluation surplus on certain property, plant and equipment (note 4(iii)) measured using the revaluation model.

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 2021

## 19. LOANS AND BORROWINGS

	Note	Group		Company	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Non-current liabilities</b>					
Secured bank loans		637	2,050	–	–
Unsecured bank loans		9,247	–	2,472	–
Lease liabilities		7,872	13,740	54	–
		17,756	15,790	2,526	–
<b>Current liabilities</b>					
Bank overdrafts	15	3,128	4,727	–	–
Bills payable		13,549	25,084	–	–
Secured bank loans		4,932	6,586	–	–
Unsecured bank loans		30,099	30,046	528	–
Lease liabilities		11,954	14,035	400	5
		63,662	80,478	928	5

The loans and borrowings are guaranteed by the Company, out of which \$8,507,000 (2020: \$16,862,000) are also guaranteed by a related corporation.

The secured bank loans and lease liabilities are secured by:

- a charge over the Group's leasehold land and property, and plant and machinery (note 4) with carrying amounts of \$8,100,000 (2020: \$9,200,000) and \$Nil (2020: \$624,000) respectively;
- a charge over the Group's leasehold property classified as asset held for sale (note 16) with a carrying amount of \$Nil (2020: \$13,135,000);
- the Group's plant and equipment acquired under hire purchase arrangements (note 4) with a carrying amount of \$27,909,000 (2020: \$37,014,000);
- the Group's inventories acquired under hire purchase arrangements (note 13) with a carrying amount of \$2,774,000 (2020: \$931,000); and
- a charge over the Group's fixed deposit (note 15) amounting to \$150,000 (2020: \$150,000).



# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 19. LOANS AND BORROWINGS (CONT'D)

### *Terms and debt repayment schedule*

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

	Nominal interest rate %	Year of maturity	2021 Face value \$'000	2021 Carrying amount \$'000	2020 Face value \$'000	2020 Carrying amount \$'000
Group						
Secured floating rate bank loans	COF and SIBOR + 2.00 – 2.41	2022 – 2024	5,569	5,569	8,636	8,636
Unsecured fixed rate bank loans	1.53 – 5.10	2022 – 2027	39,311	39,346	30,046	30,046
Lease liabilities	1.40 – 4.88	2022 – 2027	20,736	19,826	29,391	27,775
Bank overdrafts	PR and BLR + 1.25 – 1.50, 7.65	On demand	3,128	3,128	4,727	4,727
Bills payable	1.04, COF and SWAP + 1.75 – 2.25, bank offer rate + 1.50, prevailing interest rate	2022	13,549	13,549	25,084	25,084
			82,293	81,418	97,884	96,268
Company						
Secured fixed rate bank loan	2.00	2027	3,000	3,000	–	–
Lease liabilities	2.25 – 3.25	2023 – 2026	462	454	5	5
			3,462	3,454	5	5

BLR: Base Lending Rate

COF: Cost of Funds

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 2021

## 19. LOANS AND BORROWINGS (CONT'D)

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

	Liabilities					
	Trade and other payables \$'000	Bank overdrafts \$'000	Other loans and borrowings \$'000	Lease liabilities \$'000	Lease liabilities held for sale \$'000	Total \$'000
<b>Balance at 1 April 2019</b>	95,434	8,019	73,936	29,618	6,922	213,929
<b>Changes from financing cash flows</b>						
Interest paid	(14)	(298)	(3,004)	(1,541)	(282)	(5,139)
Proceeds from:						
– bank loans	–	–	28,663	–	–	28,663
– refinancing of lease liabilities	–	–	–	1,071	–	1,071
– bills payable	–	–	175,607	–	–	175,607
Repayment of:						
– bank loans	–	–	(32,701)	–	–	(32,701)
– bills payable	–	–	(181,796)	–	–	(181,796)
– lease liabilities	–	–	–	(16,493)	(240)	(16,733)
<b>Total changes from financing cash flows</b>	(14)	(298)	(13,231)	(16,963)	(522)	(31,028)
<b>Effect of changes in foreign exchange rates</b>	130	–	57	20	–	207
<b>Other changes</b>						
<b>Liability-related</b>						
Change in bank overdrafts	–	(3,292)	–	–	–	(3,292)
Change in trade and other payables	3,652	–	–	–	–	3,652
New leases	–	–	–	13,559	–	13,559
Interest expense	7	298	3,004	1,541	282	5,132
<b>Total liability-related other changes</b>	3,659	(2,994)	3,004	15,100	282	19,051
<b>Balance at 31 March 2020</b>	99,209	4,727	63,766	27,775	6,682	202,159
<b>Balance at 1 April 2020</b>	99,209	4,727	63,766	27,775	6,682	202,159
<b>Changes from financing cash flows</b>						
Interest paid	79	(209)	(1,840)	(1,114)	(23)	(3,107)
Proceeds from:						
– bank loans	–	–	38,551	–	–	38,551
– refinancing of lease liabilities	–	–	–	1,800	–	1,800
– bills payable	–	–	84,313	–	–	84,313
Repayment of:						
– bank loans	–	–	(32,252)	–	–	(32,252)
– bills payable	–	–	(95,840)	–	–	(95,840)
– lease liabilities	–	–	–	(14,782)	(20)	(14,802)
<b>Total changes from financing cash flows</b>	79	(209)	(7,068)	(14,096)	(43)	(21,337)
<b>Effect of changes in foreign exchange rates</b>	(1,149)	–	(74)	(62)	–	(1,285)
<b>Other changes</b>						
<b>Liability-related</b>						
Change in bank overdrafts	–	(1,599)	–	–	–	(1,599)
Change in trade and other payables	(12,393)	–	–	–	–	(12,393)
New leases	–	–	–	5,095	–	5,095
Disposal of lease liabilities	–	–	–	–	(6,662)	(6,662)
Interest expense	–	209	1,840	1,114	23	3,186
<b>Total liability-related other changes</b>	(12,393)	(1,390)	1,840	6,209	(6,639)	(12,373)
<b>Balance at 31 March 2021</b>	85,746	3,128	58,464	19,826	–	167,164

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 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 2019 \$'000	Recognised in profit or loss (note 25) \$'000	Translation differences \$'000	At 31 March 2020 \$'000	Recognised in profit or loss (note 25) \$'000	Translation differences \$'000	At 31 March 2021 \$'000
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### Group

#### Deferred tax assets

Property, plant and equipment	(1,491)	101	–	(1,390)	(242)	–	(1,632)
Unutilised tax losses	(705)	(983)	(7)	(1,695)	(1)	1	(1,695)
Unutilised capital allowances	(526)	47	–	(479)	(216)	–	(695)
Provisions	(86)	–	1	(85)	85	*	–
Trade and other receivables	(85)	33	*	(52)	(50)	1	(101)
Others	(218)	(44)	2	(260)	160	1	(99)
Total	(3,111)	(846)	(4)	(3,961)	(264)	3	(4,222)

#### Deferred tax liabilities

Property, plant and equipment	5,146	967	(5)	6,108	135	(11)	6,232
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\* Less than \$1,000

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

	Company	
	2021 \$'000	2020 \$'000

#### Deferred tax assets

Property, plant and equipment	*	*
Provisions	25	23
Trade and other receivables	327	278
	352	301

\* 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 statement of financial position as follows:

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Deferred tax assets	(42)	(89)	(352)	(301)
Deferred tax liabilities	2,052	2,236	–	–
	2,010	2,147	(352)	(301)

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 21. TRADE AND OTHER PAYABLES

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Trade payables	58,649	70,475	6	34
Other payables	808	663	56	15
Accruals	21,242	22,730	1,132	1,653
Employee benefits	1,211	1,215	147	135
Amounts owing to:				
– subsidiaries (trade)	–	–	1,974	4,226
– subsidiaries (non-trade)	–	–	8,105	6,257
– related corporations (trade)	360	899	–	–
– related corporations (non-trade)	126	145	–	–
Financial liabilities at amortised cost	82,396	96,127	11,420	12,320
Deferred grant income	1,244	1,314	135	118
Deposits received	2,106	1,768	–	–
	85,746	99,209	11,555	12,438

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

The deferred grant income relates to the Jobs Support Scheme announced by the Singapore Government as part of the COVID-19 pandemic relief measures to provide wage support to employers to help retain their employees during the period of economic uncertainty. As the effects of COVID-19 pandemic on the Group's business activities and hence, the commencement of the period of economic uncertainty only occurs from 1 April 2020 to November 2021, the grant income has been deferred as at 31 March 2021 and 31 March 2020.

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

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 22. PROVISIONS

	Onerous contracts \$'000	Rectification costs \$'000	Total \$'000
<b>Group</b>			
<b>2021</b>			
At 1 April	900	6,714	7,614
Provisions made	836	1,729	2,565
Provisions utilised	(1,036)	(1,396)	(2,432)
At 31 March	700	7,047	7,747
<b>2020</b>			
At 1 April	1,000	5,113	6,113
Provisions made	1,888	3,796	5,684
Provisions utilised	(1,988)	(2,195)	(4,183)
At 31 March	900	6,714	7,614

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 a project is expected to exceed the revenue expected to be received, the Group has made provision for onerous contract of \$700,000 as at 31 March 2021 (2020: \$900,000).

### Rectification costs

The Group recognised provision for rectification costs for unfinalised projects. Additional provisions were made for new projects and construction works performed during the year based on management's estimate of future obligations. Unused provisions for projects that were finalised during the year were reversed and has been included in costs of sales in the consolidated statement of profit or loss.

### Source of estimation uncertainty

The provisions recognised represent management's best estimate of the expected future costs required. Significant estimates and assumptions are made in determining the provisions. Those estimates and assumptions deal with uncertainties such as: changes to timing, extent and costs required. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provisions recognised are periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs are recognised in the statements of financial position and consolidated statement of profit or loss by adjusting the provision.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 23. REVENUE

	Group	
	2021 \$'000	2020 \$'000
Revenue from contracts with customers	169,299	328,800
Rental income	9,034	13,989
	<u>178,333</u>	<u>342,789</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

<b>Nature of goods or services</b>	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.
<b>When revenue is recognised</b>	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.
<b>Significant payment terms</b>	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.
<b>Defect liability period</b>	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

<b>Nature of goods or services</b>	The Group sells plant and equipment.
<b>When revenue is recognised</b>	Revenue is recognised when goods are delivered to the customer and all criteria for acceptance have been satisfied.
<b>Significant payment terms</b>	Invoices are issued when goods are delivered to the customers and payable within 30 days.
<b>Obligations for warranties</b>	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 2021

## 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	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Geographical regions</b>						
Singapore	131,187	254,933	11,343	26,598	142,530	281,531
Malaysia	18,258	33,541	371	2,265	18,629	35,806
Thailand	–	–	681	2,906	681	2,906
India	–	–	6,815	6,494	6,815	6,494
Hong Kong	–	–	171	1,685	171	1,685
Other regions	–	–	473	378	473	378
	149,445	288,474	19,854	40,326	169,299	328,800
<b>Major revenue streams</b>						
Construction contracts	149,053	288,023	–	–	149,053	288,023
Trading of plant and equipment	392	451	19,854	40,326	20,246	40,777
	149,445	288,474	19,854	40,326	169,299	328,800
<b>Timing of revenue recognition</b>						
Products transferred at a point in time	392	451	19,339	39,665	19,731	40,116
Products and services transferred over time	149,053	288,023	515	661	149,568	288,684
	149,445	288,474	19,854	40,326	169,299	328,800

### 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 2021

## 23. REVENUE (CONT'D)

### Contract balances

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

	2021 \$'000	2020 \$'000
Receivables, which are included in 'Trade and other receivables'	41,086	52,434
Contract assets	62,164	77,715
Contract liabilities	(574)	(232)

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:

	2021		2020	
	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	–	75	–	3,993
Increases due to cash received, excluding amounts recognised as revenue during the year	–	(417)	–	–
Contract assets reclassified to trade receivables	(164,194)	–	(301,926)	–
Changes in measurement of progress	148,977	–	284,030	–
Impairment loss recognised on contract assets	(334)	–	(1,377)	–

### Transaction price allocated to the remaining performance obligation

At the reporting date, future revenue related to performance obligations that are unsatisfied (or partially satisfied) for construction contracts is approximately \$65,859,000 (2020: \$75,532,000). The Group expects that 60% (2020: 45%) 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 2023.

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

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.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 24. FINANCE INCOME AND EXPENSES

	Group	
	2021	2020
	\$'000	\$'000
Interest income under effective interest method on:		
– cash and cash equivalents	43	92
– shareholder's loans to associates	58	–
– shareholder's loan to a third party (THAB – other investment)	66	82
– others	50	14
Imputed interest on non-current trade and other receivables and contract assets	1,803	1,402
<b>Finance income</b>	<b>2,020</b>	<b>1,590</b>
Interest expense:		
– bank loans	(1,300)	(1,942)
– bank overdrafts	(209)	(298)
– bills payable	(540)	(1,062)
– lease liabilities	(1,137)	(1,823)
– others	–	(7)
<b>Finance expenses</b>	<b>(3,186)</b>	<b>(5,132)</b>
<b>Net finance expenses recognised in profit or loss</b>	<b>(1,166)</b>	<b>(3,542)</b>

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 25. TAX EXPENSE

	Note	Group	
		2021 \$'000	2020 \$'000
<b>Current tax expense</b>			
Current year		336	1,119
Over provided in prior years		(204)	(94)
		132	1,025
<b>Deferred tax (credit)/expense</b>			
Origination and reversal of temporary differences		(745)	(104)
Under provided in prior years		616	225
	20	(129)	121
		3	1,146
<b>Reconciliation of effective tax rate</b>			
(Loss)/Profit for the year		(12,363)	7,314
Tax expense		3	1,146
Share of loss of associates (net of tax)		317	156
(Loss)/Profit before share of results of associates and tax expense		(12,043)	8,616
Tax using Singapore tax rate at 17% (2020: 17%)		(2,047)	1,465
Effect of tax rates in foreign jurisdictions		(607)	(3)
Tax exempt income		(2,070)	(192)
Tax incentives		(32)	(14)
Non-deductible expenses		1,804	501
Tax losses and deductible temporary differences for which deferred tax assets were not recognised		4,251	2,170
Utilisation of previously unrecognised deferred tax assets		(1,708)	(2,912)
Under provided in prior years		412	131
		3	1,146

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

	Group	
	2021 \$'000	2020 \$'000
Tax losses arising from operations in:		
– Singapore	96,050	95,511
– Others	14,738	9,341
	110,788	104,852
Deductible temporary differences		
– Singapore	55,093	50,892
– Others	5,608	4,199
	60,701	55,091

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 2021

## 26. (LOSS)/PROFIT FOR THE YEAR

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

	Group	
	2021	2020
	\$'000	\$'000
Audit fees paid or payable to:		
– auditors of the Company	(428)	(426)
– other auditors	(20)	(25)
Bad debts written back	351	10
Change in fair value of other investment	–	(240)
Depreciation of property, plant and equipment included in:		
– cost of sales	(19,961)	(23,750)
– administrative expenses	(792)	(1,046)
Depreciation of right-of-use assets included in:		
– cost of sales	(3,805)	(2,655)
– administrative expenses	(1,738)	(1,313)
Directors' remuneration (excluding directors' fees)	(711)	(860)
Directors' fees	(313)	(329)
Distribution of profit from other investment	–	173
Expenses relating to short-term leases	(11,268)	(17,382)
Foreign exchange loss	(777)	(594)
Gain on disposal of:		
– property, plant and equipment	401	993
– a subsidiary	(15)	–
– assets held for sale	2,779	259
Government grants deducted from:		
– cost of sales	8,146	–
– administrative expenses	2,514	15
Impairment losses recognised on:		
– property, plant and equipment	(12)	(236)
– goodwill on consolidation	(540)	(360)
– trade and other receivables and contract assets	(2,353)	(4,221)
Interest on lease liabilities	(323)	(657)
Inventories written down	(271)	(219)
Inventories written (off)/back	(28)	12
Non-audit fees paid or payable to:		
– auditors of the Company	(95)	(85)
– other auditors	(30)	(35)
Professional fees paid to a director	(30)	(30)
Property, plant and equipment written off	(12)	(80)
Provision for onerous contracts	(836)	(1,888)
Provision for rectification costs	(1,729)	(3,796)
Salaries, bonus and other costs	(48,522)	(63,506)
Contributions to defined contribution plans	(2,876)	(3,289)

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 27. (LOSS)/EARNINGS PER SHARE

The calculation of basic loss per share at 31 March 2021 was based on the loss attributable to ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding of 2,938,616,242 (2020: 2,423,874,707), calculated as follows:

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

	Group	
	2021 \$'000	2020 \$'000
(Loss)/Profit attributable to ordinary shareholders	(10,955)	5,550
	No. of shares	No. of shares
Weighted average number of:		
Issued ordinary shares at beginning of the year	2,618,310,336	2,342,882,546
Issue of shares in exercise of warrants	340,825,906	101,512,161
Ordinary shares held as treasury shares	(20,520,000)	(20,520,000)
Weighted average number of shares used to compute (loss)/earnings per share	2,938,616,242	2,423,874,707

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

The calculation of diluted loss per share at 31 March 2021 was based on loss attributable to ordinary shareholders, and a weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 2,938,616,242 (2020: 3,029,023,554), calculated as follows:

	Group	
	2021 \$'000	2020 \$'000
(Loss)/Profit attributable to ordinary shareholders	(10,955)	5,550
The weighted average number of ordinary shares (diluted):		
	No. of shares	No. of shares
Weighted average number of:		
Ordinary shares used in calculation of basic (loss)/earnings per ordinary share	2,938,616,242	2,423,874,707
Potential ordinary shares issuable under exercise of warrants	–	605,148,847
Weighted average number of ordinary shares issued and potential shares assuming full conversion	2,938,616,242	3,029,023,554

## 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 2021

## 28. FINANCIAL INSTRUMENTS (CONT'D)

### Risk management framework

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. Management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

In the opinion of the Board of Directors, the Group has taken appropriate quality control measures to mitigate the effect from any claims caused by product and construction defects, which may affect adversely its financial results, even though the Group is not covered by insurance against such events.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

### Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The carrying amounts of financial assets represent the Group's maximum exposures to credit risk, before taking into account any collateral held. The Group does not hold any collateral in respect of their financial assets.

Impairment losses on financial assets and contract assets recognised/(reversed) in profit or loss were as follows:

	2021 \$'000	2020 \$'000
<b>Group</b>		
Trade receivables and contract assets arising from contracts with customers	2,421	3,120
Trade receivables arising from rental income	(107)	732
Loans owing by:		
– associates	(50)	(9)
– a third party (THAB – other investment)	18	1
Amounts owing by:		
– associates (non-trade)	12	363
– a third party (THAB – other investment) (non-trade)	51	14
– related corporations (trade)	8	–
	<u>2,353</u>	<u>4,221</u>
<b>Company</b>		
Amounts owing by:		
– subsidiaries (trade)	(396)	(116)
– subsidiaries (non-trade)	5,000	834
	<u>4,604</u>	<u>718</u>

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 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, 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	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Singapore	95,548	115,044	19,944	11,986
Malaysia	18,861	26,713	8,536	12,181
Thailand	1,150	2,304	–	*
India	6,563	2,323	–	–
Vietnam	165	186	–	–
Hong Kong	948	1,613	–	–
Others	520	424	–	–
	123,755	148,607	28,480	24,167

\* 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	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Foundation and geotechnical engineering	96,552	122,165	13,725	16,497
Trading and lease of equipment	21,472	24,061	14	48
Others	5,731	2,381	14,741	7,622
	123,755	148,607	28,480	24,167

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 due from subsidiaries of \$27,940,000 (2020: \$23,967,000).

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 28. FINANCIAL INSTRUMENTS (CONT'D)

### Credit risk (cont'd)

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

##### Expected credit loss assessment for counterparties

The Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections and available press information about counterparties) and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default.

The following tables provide information about the exposure to credit risk and lifetime ECLs for trade and other receivables (excluding prepayments) and contract assets:

	Weighted average loss rate %	Not credit- impaired \$'000	Credit- impaired \$'000	Gross carrying amount \$'000	Total loss allowance \$'000	Net \$'000
<b>31 March 2021</b>						
<b>Group</b>						
Grade AA	–	2,275	–	2,275	–	2,275
Grade A	0.39	47,034	155	47,189	(184)	47,005
Grade B	0.83	21,093	318	21,411	(177)	21,234
Grade C	0.50	31,693	45	31,738	(158)	31,580
Grade D	35.27	21,910	11,556	33,466	(11,805)	21,661
<b>Total gross carrying amount</b>		<b>124,005</b>	<b>12,074</b>	<b>136,079</b>	<b>(12,324)</b>	<b>123,755</b>
Loss allowance		(659)	(11,665)			
		<b>123,346</b>	<b>409</b>			
<b>Company</b>						
Grade AA	–	202	–	202	–	202
Grade A	–	294	–	294	–	294
Grade D	20.93	17,753	17,639	35,392	(7,408)	27,984
<b>Total gross carrying amount</b>		<b>18,249</b>	<b>17,639</b>	<b>35,888</b>	<b>(7,408)</b>	<b>28,480</b>
Loss allowance		(299)	(7,109)			
		<b>17,950</b>	<b>10,530</b>			
<b>31 March 2020</b>						
<b>Group</b>						
Grade AA	0.02	4,527	–	4,527	(1)	4,526
Grade A	0.98	70,632	550	71,182	(695)	70,487
Grade B	1.22	27,893	–	27,893	(340)	27,553
Grade C	1.59	15,763	5	15,768	(250)	15,518
Grade D	39.39	30,737	19,621	50,358	(19,835)	30,523
<b>Total gross carrying amount</b>		<b>149,552</b>	<b>20,176</b>	<b>169,728</b>	<b>(21,121)</b>	<b>148,607</b>
Loss allowance		(1,412)	(19,709)			
		<b>148,140</b>	<b>467</b>			
<b>Company</b>						
Grade AA	–	148	–	148	–	148
Grade D	10.45	11,884	14,939	26,823	(2,804)	24,019
<b>Total gross carrying amount</b>		<b>12,032</b>	<b>14,939</b>	<b>26,971</b>	<b>(2,804)</b>	<b>24,167</b>
Loss allowance		(172)	(2,632)			
		<b>11,860</b>	<b>12,307</b>			

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 28. FINANCIAL INSTRUMENTS (CONT'D)

### Credit risk (cont'd)

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

Movements in allowance for impairment in respect of trade and other receivables (excluding prepayments) and contract assets

The movements in the allowance for impairment in respect of trade and other receivables (excluding prepayments) and contract assets during the year were as follows:

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Balance at 1 April	21,121	16,973	2,804	2,086
Impairment loss recognised	2,353	4,221	4,604	718
Impairment losses utilised	(11,130)	(89)	–	–
Effect of movements in exchange rates	(20)	16	–	–
Balance at 31 March	12,324	21,121	7,408	2,804

Trade and other receivables (excluding prepayments) and contract assets with contractual amounts of \$11,130,000 written off during 2021 (2020: \$89,000) are still subject to enforcement activity.

The following significant changes in the gross carrying amounts of trade and other receivables (excluding prepayments) and contract assets contributed to the changes in the impairment loss allowance during the year:

#### Group

- Increase in the Group's credit-impaired balance of \$3,228,000 (2020: \$3,270,000) 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 \$2,756,000 (2020: \$3,239,000);
- Decrease in impairment allowance of \$1,174,000 (2020: \$458,000) relates to amounts recovered from customers with previously credit-impaired balances of \$1,711,000 (2020: \$1,222,000);
- Increase in the Group's credit-impairment balance of \$117,000 (2020: \$1,686,000) 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 \$110,000 (2020: \$1,473,000); and
- Change in expected loss rates for each credit risk grade of the Group's debtors resulted in an increase in the Group's impairment allowance of \$661,000 (2020: \$Nil).

#### Company

- Increase in the Company's credit-impaired balance of \$1,259,000 (2020: \$12,141,000) relating to one subsidiary which management had assessed that the said subsidiary is not able to fully settle the outstanding balance based on projected future cash flows, resulting in an increase in the Company's impairment allowance of \$4,300,000 (2020: \$1,300,000); and
- Decrease 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 a decrease in the Company's impairment allowance of \$304,000 (2020: \$582,000).

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 28. FINANCIAL INSTRUMENTS (CONT'D)

### *Cash and cash equivalents*

The cash and cash equivalents of the Group and the Company are held with banks and financial institution counterparties, which are regulated. Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was negligible.

### *Intra-group financial guarantees*

The principal risk to which the Company is exposed is credit risk in connection with the guarantee contracts it has issued. The credit risk represents the loss that would be recognised upon a default by the parties to which the guarantees were given on behalf of. To mitigate these risks, management continually monitors the risk and has established processes including performing credit evaluations of the parties it is providing the guarantee on behalf of. Guarantees are given to its subsidiaries and a joint operation.

There are no terms and conditions attached to the guarantee contracts that would have a material effect on the amount, timing and uncertainty of the Company's future cash flows.

The intra-group financial guarantees are eliminated in preparing the consolidated financial statements. Estimates of the Company's obligation arising from financial guarantee contracts may be affected by future events, which cannot be predicted with any certainty. The assumptions made may well vary from actual experience so that the actual liability may vary considerably from the best estimates, as presented under "Liquidity risk" section.

### *Source of estimation uncertainty*

In deriving the impairment losses on trade and other receivables (excluding prepayments) under the expected credit loss model, the Group is required to make estimates to reflect reasonable and supportable information about creditworthiness, which includes historical, current and forecast information. The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full. The amount and timing of recorded impairment losses would differ if the Group made different estimates and judgement.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 28. FINANCIAL INSTRUMENTS (CONT'D)

### Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

To ensure continuity of funding, the Group's policy is to use a mix of long-term and short-term financing. Short-term funding is obtained through overdraft, trust receipt and financing loan facilities. Long-term funding is primarily used for acquisition of property, plant and equipment. The Group evaluates various alternative financing arrangements to balance its debt leverage.

Included in total assets of the Group at the reporting date are contract assets and trade receivables totalling \$107,859,000 (2020: \$136,233,000). The liquidity of the Group is primarily dependent on the timely settlement of contract assets and trade receivables. The Group carefully monitors current and expected liquidity requirements to ensure that it maintains sufficient working capital and adequate external financing to meet its liquidity requirements in the short and longer term.

The Group maintains adequate short term facilities totalling approximately \$122,567,000 (2020: \$132,336,000) that can be drawn down to meet short term financing needs. As at reporting date, \$59,140,000 (2020: \$82,647,000) 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

#### 2021

##### Non-derivative financial liabilities

Secured bank loans	5,569	(5,692)	(5,040)	(652)	–
Unsecured bank loans	39,346	(39,987)	(30,338)	(8,966)	(683)
Lease liabilities	19,826	(20,736)	(12,574)	(8,149)	(13)
Bank overdrafts	3,128	(3,348)	(3,348)	–	–
Bills payable	13,549	(13,663)	(13,663)	–	–
Trade and other payables <sup>#</sup>	82,396	(82,396)	(82,396)	–	–
Recognised financial liabilities	163,814	(165,822)	(147,359)	(17,767)	(696)

#### 2020

##### Non-derivative financial liabilities

Secured bank loans*	8,636	(9,074)	(6,964)	(2,110)	–
Unsecured bank loans	30,046	(30,304)	(30,304)	–	–
Lease liabilities	27,775	(29,391)	(15,070)	(14,245)	(76)
Bank overdrafts	4,727	(5,012)	(5,012)	–	–
Bills payable	25,084	(25,339)	(25,339)	–	–
Trade and other payables <sup>#</sup>	96,127	(96,127)	(96,127)	–	–
Recognised financial liabilities	192,395	(195,247)	(178,816)	(16,355)	(76)

\* Included in the cash flows within 1 year are financial liabilities of \$4,832,000 with contractual maturities that are more than 1 year (see note 19)

<sup>#</sup> Excludes deposits received and deferred grant income



# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 28. FINANCIAL INSTRUMENTS (CONT'D)

### Liquidity risk (cont'd)

*Exposure to liquidity risk (cont'd)*

Company	Carrying amount \$'000	Cash flows			
		Contractual cash flows \$'000	Within 1 year \$'000	Within 2 to 5 years \$'000	More than 5 years \$'000
<b>2021</b>					
<b>Non-derivative financial liabilities</b>					
Unsecured bank loan	3,000	(3,155)	(578)	(2,524)	(53)
Lease liabilities	454	(462)	(407)	(55)	–
Trade and other payables <sup>#</sup>	11,420	(11,420)	(11,420)	–	–
Intra-group financial guarantee	–	(151,767)	(151,767)	–	–
Recognised financial liabilities	14,874	(166,804)	(164,172)	(2,579)	(53)
<b>2020</b>					
<b>Non-derivative financial liabilities</b>					
Lease liabilities	5	(5)	(5)	–	–
Trade and other payables <sup>#</sup>	12,320	(12,320)	(12,320)	–	–
Intra-group financial guarantee	–	(173,740)	(173,740)	–	–
Recognised financial liabilities	12,325	(186,065)	(186,065)	–	–

<sup>#</sup> Excludes deferred grant income

At the reporting date, the Company does not consider it probable that a claim will be made against the Company under the financial guarantees granted to the subsidiaries and a joint arrangement.

### 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.

A fundamental review and reform of major interest rate benchmarks is being undertaken globally. There is uncertainty as to the timing and the methods of transition for replacing existing benchmark interbank offered rates (IBORs) with alternative rates. In Singapore, the fundamental review and reform of the two key Singapore Dollar interest rate benchmarks that are widely referenced in financial contracts, namely Singapore interbank offered rates (SIBORs) and Singapore swap offer rates (SORs), and the transition from SOR to the Singapore Overnight Rate Average (SORA), is also ongoing.

In Singapore, SIBOR and SOR continue to be used as reference rates in financial markets and are used in the valuation of instruments with maturities that exceed the expected end date for SIBOR and SOR.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 28. FINANCIAL INSTRUMENTS (CONT'D)

### Market risk (cont'd)

#### 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 rates. The Group does not use derivative financial instruments to hedge its interest rate risk.

#### Exposure to interest rate risk

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments, as reported to the management, was as follows:

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<b>Fixed rate instruments</b>				
Financial assets	7,238	4,074	–	–
Financial liabilities	(59,172)	(57,821)	(3,454)	(5)
	(51,934)	(53,747)	(3,454)	(5)
<b>Variable rate instruments</b>				
Financial assets	2,545	2,518	–	–
Financial liabilities	(22,246)	(38,447)	–	–
	(19,701)	(35,929)	–	–

#### Fair value sensitivity analysis for fixed rate instruments

The Group accounts for its convertible notes, amounting to \$Nil (2020: \$Nil), as debt investments – mandatorily at FVTPL (see note 12). An increase/decrease of 100 basis point ("bp") in interest rate at the reporting date would not have a material effect. The remaining fixed rate financial assets and liabilities are not accounted for at fair value through profit or loss and therefore, a change in interest rates at the reporting date would not affect profit or loss.

#### 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 2020.

	Group	
	2021	2020
	\$'000	\$'000
Variable rate financial instruments	(99)	(180)

There is no impact on other comprehensive income and equity.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 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, Japanese Yen, Chinese Renminbi, British Pound and Malaysian Ringgit. Exposure to foreign currency risk is monitored on an ongoing basis by the Group to ensure that the net exposure is at an acceptable level.

The Group enters into forward exchange contracts with banks from time to time to reduce the adverse impact of foreign exchange risk on the Group's profitability.

##### *Exposure to currency risk*

The summary of quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

	Euro \$'000	US Dollar \$'000	Japanese Yen \$'000	Chinese Renminbi \$'000	British Pound \$'000	Malaysian Ringgit \$'000
<b>Group</b>						
<b>2021</b>						
Trade and other receivables	7	1,346	51	133	382	1,015
Cash and cash equivalents	338	1,525	1	2	198	3
Loans and borrowings	–	(438)	–	–	–	–
Trade and other payables	(154)	(1,310)	–	(13,233)	(87)	(6)
Net exposure	191	1,123	52	(13,098)	493	1,012
<b>2020</b>						
Trade and other receivables	3,011	2,475	56	27	2,196	1,032
Cash and cash equivalents	383	140	1	–	601	3
Loans and borrowings	(4,018)	(2,660)	–	–	(51)	–
Trade and other payables	(75)	(500)	–	(14,083)	(79)	–
Net exposure	(699)	(545)	57	(14,056)	2,667	1,035

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 28. FINANCIAL INSTRUMENTS (CONT'D)

### Market risk (cont'd)

### Currency risk (cont'd)

#### Sensitivity analysis

A 10% strengthening of following major currencies against the functional currency of each of the Group's entities at the reporting date would increase/(decrease) profit or loss (before any tax effect) by the amounts shown below. Similarly, a 10% weakening would have had the equal but opposite effect. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2020.

	Profit or loss	
	2021	2020
	\$'000	\$'000
<b>Group</b>		
Euro	(19)	(70)
US Dollar	(112)	(55)
Japanese Yen	(5)	6
Chinese Renminbi	1,310	(1,406)
British Pound	(49)	267
Malaysian Ringgit	(101)	104

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 2021 and 31 March 2020.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 28. FINANCIAL INSTRUMENTS (CONT'D)

### Market risk (cont'd)

#### Fair values versus carrying amounts

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

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

### Group

#### 31 March 2021

#### Financial assets measured at fair value

##### Debt

investments

– mandatorily

at FVTPL

12	–	–	–	–	–	–	–	–	–
----	---	---	---	---	---	---	---	---	---

##### Equity

investments –

at FVOCI

12	–	–	162	–	162	–	–	162	162
	–	–	162	–	162				

#### Financial

#### assets not measured at fair value

Trade and other

receivables<sup>#</sup>

14	–	61,591	–	–	61,591	–	61,591	–	61,591
----	---	--------	---	---	--------	---	--------	---	--------

Cash and cash

equivalents

15	–	34,604	–	–	34,604				
	–	96,195	–	–	96,195				

#### Financial

#### liabilities not measured at fair value

Bank overdrafts

19	–	–	–	(3,128)	(3,128)				
----	---	---	---	---------	---------	--	--	--	--

Bills payable

19	–	–	–	(13,549)	(13,549)				
----	---	---	---	----------	----------	--	--	--	--

Secured bank

loans

19	–	–	–	(5,569)	(5,569)				
----	---	---	---	---------	---------	--	--	--	--

Unsecured bank

loans

19	–	–	–	(39,346)	(39,346)				
----	---	---	---	----------	----------	--	--	--	--

Trade and other

payables<sup>\*</sup>

21	–	–	–	(82,396)	(82,396)				
	–	–	–	(143,988)	(143,988)				

<sup>#</sup> Excludes prepayments

<sup>\*</sup> Excludes deposits received and deferred grant income

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 28. FINANCIAL INSTRUMENTS (CONT'D)

Market risk (cont'd)

*Fair values versus carrying amounts (cont'd)*

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

### Group

31 March 2020

#### Financial assets measured at fair value

Debt

investments  
– mandatorily  
at FVTPL

12

–

–

–

–

–

–

–

–

–

Equity

investments –  
at FVOCI

12

–

–

165

–

165

–

–

165

165

–

–

165

–

165

#### Financial

##### assets not measured at fair value

Trade and other  
receivables<sup>#</sup>

14

–

70,892

–

–

70,892

–

70,892

–

70,892

Cash and cash  
equivalents

15

–

19,179

–

–

19,179

–

90,071

–

–

90,071

#### Financial

##### liabilities not measured at fair value

Bank overdrafts

19

–

–

–

(4,727)

(4,727)

Bills payable

19

–

–

–

(25,084)

(25,084)

Secured bank

loans

19

–

–

–

(8,636)

(8,636)

Unsecured bank

loans

19

–

–

–

(30,046)

(30,046)

Trade and other

payables\*

21

–

–

–

(96,127)

(96,127)

–

–

–

(164,620)

(164,620)

<sup>#</sup> Excludes prepayments

\* Excludes deposits received and deferred grant income



# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 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 2021

##### Financial assets not

##### measured at fair value

Trade and other receivables <sup>#</sup>	14	28,480	–	28,480	–	28,480	–	28,480
Cash and cash equivalents	15	3,458	–	3,458				
		<u>31,938</u>	<u>–</u>	<u>31,938</u>				

##### Financial liabilities not

##### measured at fair value

Unsecured bank loan	19	–	(3,000)	(3,000)				
Trade and other payables*	21	–	(11,420)	(11,420)				
		<u>–</u>	<u>(14,420)</u>	<u>(14,420)</u>				

#### 31 March 2020

##### Financial assets not

##### measured at fair value

Trade and other receivables <sup>#</sup>	14	24,167	–	24,167	–	24,167	–	24,167
Cash and cash equivalents	15	265	–	265				
		<u>24,432</u>	<u>–</u>	<u>24,432</u>				

##### Financial liabilities not

##### measured at fair value

Trade and other payables*	21	–	(12,320)	(12,320)				
---------------------------	----	---	----------	----------	--	--	--	--

<sup>#</sup> Excludes prepayments

\* Excludes deferred grant income

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 28. FINANCIAL INSTRUMENTS (CONT'D)

### Market risk (cont'd)

#### *Estimation of fair values*

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

#### *Debt investments and equity investments*

In 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 2021 was determined to be \$Nil (2020: \$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 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.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 28. FINANCIAL INSTRUMENTS (CONT'D)

### Market risk (cont'd)

#### Interest rates used in determining fair values

The interest rates used to discount estimated cash flows, where applicable, are based on the government yield curve at 31 March plus an adequate credit spread, and are as follows:

	Group	
	2021 %	2020 %
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:

	Equity investments – FVOCI \$'000	Debt investments – mandatorily at FVTPL \$'000
<b>Group</b>		
<b>2021</b>		
At 1 April	165	–
Effect of movements in exchange rates	(3)	–
At 31 March	162	–
<b>2020</b>		
At 1 April	166	240
Change in fair value	–	(240)
Effect of movements in exchange rates	(1)	–
At 31 March	165	–

The reconciliation from the opening balances to the ending balances for freehold and leasehold land and properties that are revalued at each reporting date are presented in note 4.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 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:

	2021 \$'000	2020 \$'000
Capital commitment in respect of:		
– acquisition of property, plant and equipment	3,049	644

## 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	
	2021 \$'000	2020 \$'000
Short-term employee benefits	6,429	6,929
Post-employment benefits (including CPF)	322	313
	6,751	7,242

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	
	2021 \$'000	2020 \$'000
Professional fees	30	30

#### Other related party transactions

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

	Group	
	2021 \$'000	2020 \$'000
Companies in which a substantial shareholder of the Group has substantial financial interests		
Revenue from foundation engineering works	86	2,227
Revenue from trading of plant and equipment	752	–
Revenue from rental income	116	40
Expenses related to short-term leases	(2,445)	(3,268)
Purchase of plant and equipment	(278)	(148)
Upkeep of machinery and equipment expenses	(111)	(398)

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 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
--------------------------------------	---

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 2021 or 2020.

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 2021

## 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	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from contracts						
with customers	149,445	288,474	19,854	40,326	169,299	328,800
Rental income	32	383	9,002	13,606	9,034	13,989
External revenue	149,477	288,857	28,856	53,932	178,333	342,789
Inter-segment revenue	13,139	34,822	12,850	17,059	25,989	51,881
Finance income	1,757	1,547	205	43	1,962	1,590
Finance expenses	(1,838)	(3,138)	(1,152)	(1,763)	(2,990)	(4,901)
Reportable segment (loss)/ profit before tax	(7,839)	5,827	(2,474)	3,650	(10,313)	9,477
Reportable segment assets	190,335	235,533	107,937	114,509	298,272	350,042
Capital expenditure	7,108	8,682	1,289	3,979	8,397	12,661
Reportable segment liabilities	106,238	142,172	59,656	60,754	165,894	202,926
<b>Other material items</b>						
Change in fair value of other investment	–	(240)	–	–	–	(240)
Depreciation of property, plant and equipment	(15,166)	(19,114)	(5,000)	(5,039)	(20,166)	(24,153)
Depreciation of right-of-use assets	(4,561)	(3,015)	(982)	(953)	(5,543)	(3,968)
Impairment losses (recognised)/reversed on:						
– property, plant and equipment	–	(165)	(12)	(71)	(12)	(236)
– goodwill on consolidation	(540)	(360)	–	–	(540)	(360)
– trade and other receivables and contract assets	(2,526)	(2,417)	155	(1,454)	(2,371)	(3,871)
Gain on disposal of:						
– property, plant and equipment	105	428	296	565	401	993
– assets held for sale	2,779	259	–	–	2,779	259
Inventories written down	–	–	(271)	(219)	(271)	(219)
Inventories written (off)/back	–	–	(28)	12	(28)	12
Provision for onerous contracts	(836)	(1,888)	–	–	(836)	(1,888)
Provision for rectification costs	(1,729)	(3,796)	–	–	(1,729)	(3,796)



# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 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:

	2021 \$'000	2020 \$'000
<b>Finance income</b>		
Total finance income for reportable segments	1,962	1,590
Finance income for other segments	58	–
	<u>2,020</u>	<u>1,590</u>
<b>Finance expenses</b>		
Total finance expenses for reportable segments	(2,990)	(4,901)
Finance expenses for other segments	(196)	(231)
	<u>(3,186)</u>	<u>(5,132)</u>
<b>Profit or loss before tax</b>		
Total (loss)/profit before tax for reportable segments	(10,313)	9,477
Profit/(loss) before tax for other segments	74	(451)
	<u>(10,239)</u>	<u>9,026</u>
Elimination of inter-segment transactions	3,182	5,548
Unallocated amount:		
– other corporate expenses	(4,986)	(5,958)
Share of loss of associates	(317)	(156)
Consolidated (loss)/profit before tax	<u>(12,360)</u>	<u>8,460</u>
<b>Depreciation of property, plant and equipment</b>		
Total depreciation expenses for reportable segments	(20,166)	(24,153)
Depreciation expenses for other segments	(587)	(643)
	<u>(20,753)</u>	<u>(24,796)</u>
<b>Impairment losses recognised on trade and other receivables and contract assets</b>		
Total impairment losses for reportable segments	(2,371)	(3,871)
Impairment losses reversed/(recognised) for other segments	18	(350)
	<u>(2,353)</u>	<u>(4,221)</u>
<b>Assets</b>		
Total assets for reportable segments	298,272	350,042
Assets for other segments	19,075	13,314
	<u>317,347</u>	<u>363,356</u>
Investments in associates	3,260	531
Deferred tax assets	42	89
Tax recoverable	414	128
Other unallocated amounts	4,445	476
Consolidated total assets	<u>325,508</u>	<u>364,580</u>
<b>Liabilities</b>		
Total liabilities for reportable segments	165,894	202,926
Liabilities for other segments	4,661	5,120
	<u>170,555</u>	<u>208,046</u>
Deferred tax liabilities	2,052	2,236
Current tax payable	280	721
Other unallocated amounts	4,930	1,959
Consolidated total liabilities	<u>177,817</u>	<u>212,962</u>

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

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 31. SEGMENT REPORTING (CONT'D)

### (b) Geographical segments

In presenting information on the basis of geographical segment, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

	2021		2020	
	Revenue from external customers \$'000	Non-current assets \$'000	Revenue from external customers \$'000	Non-current assets \$'000
Singapore	146,584	105,429	287,577	111,442
Malaysia	19,981	15,688	37,990	16,630
Thailand	1,851	7,807	5,497	8,849
India	6,815	324	6,731	328
Other regions	3,102	4,515	4,994	5,351
Consolidated	178,333	133,763	342,789	142,600

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.

## 32. SUBSEQUENT EVENT

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. This would increase THLFE's equity interests in ICE from 85% to 100%. Upon completion of the transaction, the Group would recognise a decrease in other reserve and non-controlling interests of approximately \$1,486,000 and \$1,884,000 respectively.

# SHAREHOLDINGS STATISTICS

AS AT 15 JUNE 2021

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\$90,922,212.00
Number of issued shares (including treasury shares)	:	3,588,348,176
Number of issued shares (excluding treasury shares)	:	3,567,828,176
Number/percentage of treasury shares	:	20,520,000 (0.58%)
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 15 June 2021, 42.86% of the total number of issued ordinary shares (excluding treasury shares) of the Company was held in the hands of public. Accordingly, the Company has complied with Rule 723 of the SGX-ST Listing Manual.

## ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	59	0.64	1,909	0.00
100 – 1,000	203	2.20	158,171	0.00
1,001 – 10,000	2,741	29.72	20,318,244	0.57
10,001 – 1,000,000	6,047	65.57	541,919,736	15.10
1,000,001 and above	172	1.87	3,025,950,116	84.33
	9,222	100.00	3,588,348,176	100.00

## TOP 20 SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	%*
1	Citibank Nominees Singapore Pte Ltd	959,354,188	26.89
2	Phillip Securities Pte Ltd	553,340,342	15.51
3	Khoo Yok Kee or Chiu Hong Keong	309,213,500	8.67
4	DB Nominees (S) Pte Ltd	207,379,900	5.81
5	DBS Nominees Pte Ltd	98,135,900	2.75
6	UOB Kay Hian Pte Ltd	88,772,300	2.49
7	Ong Kian Kok	40,460,000	1.13
8	Maybank Kim Eng Securities Pte Ltd	35,070,566	0.98
9	Rolles Rudolf Jurgen August or Nelly Menon Mrs Nelly Rolles @ Y M L	29,776,100	0.84
10	Lin Qian Jun	25,000,000	0.70
11	Goh Guan Siong (Wu Yuanxiang)	21,777,600	0.61
12	HSBC (Singapore) Nominees Pte Ltd	21,450,062	0.60
13	Poh Chee Kuan or Luo Taohong	19,910,998	0.56
14	Lim & Tan Securities Pte Ltd	18,661,166	0.52
15	Ong Tiew Siam	18,000,000	0.51
16	OCBC Securities Private Ltd	16,211,891	0.45
17	Suey Hueh King	16,150,000	0.45
18	United Overseas Bank Nominees Pte Ltd	15,792,828	0.44
19	Raffles Nominees (Pte) Limited	13,740,350	0.39
20	Tan Ee Ping	13,700,998	0.38
		<b>2,521,898,689</b>	<b>70.68</b>

\* The percentage of shareholdings was computed based on the total number of issued ordinary shares of the Company as at 15 June 2021 of 3,567,828,176 (which excludes 20,520,000 shares held as treasury shares representing approximately 0.58% of the total number of issued ordinary shares excluding treasury shares).

# SHAREHOLDINGS STATISTICS

AS AT 15 JUNE 2021

## SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders	Direct Interest		Deemed Interest	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>
TH Investments Pte Ltd <sup>(2)</sup>	–	–	1,092,727,509	30.63
Tat Hong Investments Pte Ltd <sup>(2)</sup>	–	–	1,092,727,509	30.63
Chwee Cheng & Sons Pte Ltd <sup>(2)</sup>	–	–	1,092,727,509	30.63
Ng Sun Ho Tony <sup>(2)</sup>	–	–	1,092,727,509	30.63
Ng San Wee David <sup>(2)</sup>	–	–	1,092,727,509	30.63
Ng Sun Giam Roger <sup>(2)</sup>	–	–	1,092,727,509	30.63
Ng San Tiong Roland <sup>(2)(3)</sup>	–	–	1,116,648,503	31.30
Ng Chwee Cheng Corporation <sup>(4)</sup>	314,542,494	8.82	–	–
BOS Trustee Limited <sup>(4)</sup>	–	–	314,542,494	8.82
Bank of Singapore Limited <sup>(4)</sup>	–	–	314,542,494	8.82
Oversea-Chinese Banking Corporation Limited <sup>(4)</sup>	–	–	314,542,494	8.82
Ng Chwee Cheng <sup>(4)(5)</sup>	3,760,000	0.11	318,442,494	8.93
Dr Chiu Hong Keong or Mdm Khoo Yok Kee <sup>(6)</sup>	519,093,400	14.55	319,100	0.01

### Notes:

- <sup>(1)</sup> The percentage of shareholdings was computed based on the total number of issued ordinary shares of the Company as at 15 June 2021 of 3,567,828,176 (which excludes 20,520,000 shares held as treasury shares representing approximately 0.58% of the total number of issued ordinary shares excluding treasury shares).
- <sup>(2)</sup> 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.
- <sup>(3)</sup> Mr Ng San Tiong Roland is also deemed to have an interest in 23,920,994 shares held through his nominee accounts.
- <sup>(4)</sup> 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.
- <sup>(5)</sup> Mr Ng Chwee Cheng is also deemed to have an interest in 3,900,000 shares held through a nominee account.
- <sup>(6)</sup> Dr Chiu Hong Keong or Mdm Khoo Yok Kee is deemed to have an interest in 319,100 shares held by their son through a nominee account.

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("AGM" or the "Meeting") of CSC Holdings Limited (the "Company" or "CSC") will be held by way of electronic means on Thursday, 29 July 2021 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 2021 together with the Auditors' Report thereon. **(Resolution 1)**
2. To re-elect Mr Ong Tiew Siam, retiring pursuant to Regulation 104 of the Constitution of the Company.  
[See Explanatory Note (i)] **(Resolution 2)**
3. To re-elect Mr See Yen Tarn, retiring pursuant to Rule 720(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited.  
[See Explanatory Note (ii)] **(Resolution 3)**
4. To approve the payment of Directors' fees of up to S\$329,000 for the financial year ending 31 March 2022, to be paid quarterly in arrears (FY2021: up to S\$329,000).  
[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 (Chapter 50) 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

- (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,

# NOTICE OF ANNUAL GENERAL MEETING

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 per centum (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 per centum (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
  - (a) new shares arising from the conversion or exercise of any convertible securities which were issued and outstanding or subsisting at the time of passing of this Resolution;
  - (b) new shares arising from exercising share options or vesting of share awards which were issued and outstanding or subsisting at the time of passing of this Resolution; and
  - (c) any subsequent bonus issue, consolidation or subdivision of shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier."

[See Explanatory Note (iv)]

**(Resolution 6)**

## 8. **Proposed Adoption of the Share Buy-Back Mandate**

"That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, the listing rules of the SGX-ST and such other laws and regulations as may for the time being be applicable, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire ordinary shares in the capital of the Company ("Shares") not exceeding in aggregate the Maximum Limit (as hereinafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:
  - (i) on-market purchase(s) (each a "Market Purchase") on the SGX-ST; and/or
  - (ii) off-market purchase(s) (each an "Off-Market Purchase") effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Listing Manual of the SGX-ST ("Listing Manual") and the Companies Act,



# NOTICE OF ANNUAL GENERAL MEETING

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act, the Constitution of the Company and the Listing Manual 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 Relevant Period and expiring on the earliest of:
  - (i) the conclusion of the next AGM of the Company is held or date by which such AGM is required by law to be held; or
  - (ii) the date on which the share buy-backs are carried out to the full extent of the Share Buy-Back Mandate;
- (c) for purposes of this Ordinary Resolution:

**"Maximum Limit"** means ten per centum (10%) of the total number of issued ordinary shares of the Company as at the date of the passing of this Resolution, unless the Company has effected a reduction of the share capital of the Company (other than a reduction by virtue of a share buy-back) in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as hereinafter defined) in which event the issued ordinary shares of the Company shall be taken to be the total number of the issued ordinary shares of the Company as altered by such capital reduction (the total number of ordinary shares shall exclude any ordinary shares that may be held as Treasury Shares by the Company and subsidiary holdings from time to time);

**"Relevant Period"** means the period commencing from the date of the passing of this Resolution and expiring on the earliest of 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 the date the said mandate is revoked or varied by the Company in a general meeting;

**"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,

in either case, excluding related expenses of the purchase or acquisition of Shares (the "Maximum Price");

**"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 adjusted for any corporate action that occurs during the relevant five (5)-day period and the day on which the purchases are made;

**"day of the making of the offer"** means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

# NOTICE OF ANNUAL GENERAL MEETING

- (d) the number of Shares which may in aggregate be purchased or acquired by the Company during the Relevant Period shall be subject to the Maximum Limit;
- (e) the Directors of the Company and/or any of them be and are hereby authorised to deal with the Shares purchased by the Company, pursuant to the Share Buy-Back Mandate in any manner as they think fit, which is permitted under the Companies Act; and
- (f) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including without limitation, to execute all such documents as may be required and to approve any amendments, alterations or modifications to any documents), as they and/or he may consider desirable, expedient or necessary to give effect to the transactions contemplated 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  
14 July 2021

# NOTICE OF ANNUAL GENERAL MEETING

## EXPLANATORY NOTES:

- (i) Ordinary Resolution 2 is to re-elect Mr Ong Tiew Siam ("Mr Ong"), an Independent Non-Executive Director of the Company. Mr Ong will, upon re-election as a Director of the Company, remain as Chairman of the Audit Committee and Risk Management Committee and a member of the Remuneration Committee. Mr Ong is considered independent for the purposes of Rule 210(5)(d) and Rule 704(8) of the Listing Manual of the SGX-ST. There are no relationships (including immediate family relationships) between Mr Ong and the other Directors, the substantial shareholders of the Company or the Company.
- (ii) Ordinary Resolution 3 is to re-elect Mr See Yen Tarn ("Mr See"), an Executive Director of the Company. Mr See will, upon re-election as a Director of the Company, remain as a member of the Nominating Committee and Risk Management Committee. Mr See is the Group Chief Executive Officer. Save as disclosed in the Company's Annual Report, there are no relationships (including immediate family relationships) between Mr See and the other Directors, the substantial shareholders of the Company or the Company.

**Note:** Information on Directors who are proposed to be re-elected as Directors of the Company can be found under sections entitled "Board of Directors" and "Disclosure of Information on Directors Seeking Re-election" in the Company's Annual Report for the financial year ended 31 March 2021.

- (iii) Ordinary Resolution 4, if passed, will authorise the Company to make payment of fees to the Non-Executive Director and Independent Directors (including fees payable to members of the various Board Committees) for the financial year ending 31 March 2022 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 to make purchases (whether by way of Market Purchases or Off-Market Purchases on an equal access scheme) from time to time, during the Relevant Period, of up to the Maximum Limit at prices up to but not exceeding the Maximum Price. 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 in relation to the Proposed Adoption of the Share Buy-Back Mandate dated 14 July 2021 ("Letter to Shareholders").

## IMPORTANT NOTES ON THE FORTHCOMING AGM ARRANGEMENTS IN LIGHT OF COVID-19

- 1. The AGM of the Company is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
- 2. **Printed copies of this Notice of AGM, Proxy Form, Letter to Shareholders and Annual Report for the financial year ended 31 March 2021 ("2021 Annual Report") will not be sent to members.** Instead, this Notice of AGM, Proxy Form, Letter to Shareholders and 2021 Annual Report are sent to members by electronic means via publication on the Company's website at the URL <http://www.cschl.com.sg>; the website set up for the purpose of the AGM, at the URL <http://conveneagm.sg/csc2021> ("CSC AGM Website"); and SGX website at the URL <https://www.sgx.com/securities/company-announcements>. For members who prefer to receive a printed copy of the Letter to Shareholders and/or 2021 Annual Report, please refer to the Annual Report Request Form published on the Company's website, CSC AGM website and SGX website on how to make a request.

# NOTICE OF ANNUAL GENERAL MEETING

3. Due to the current COVID-19 restriction orders in Singapore, **members of the Company will not be able to attend the AGM in person.**

Alternative arrangements relating to, among others, (i) attendance at the AGM by way of electronic means (including arrangements by which the AGM can be electronically accessed via live audio-visual webcast or live audio-only stream) ("2021 AGM Live Webcast"), (ii) submission of questions in advance of the AGM, (iii) addressing of substantial and relevant questions prior to the AGM and (iv) voting by appointing the Chairman of the Meeting as proxy at the AGM, are set out in the accompanying Company's announcement dated 14 July 2021. This announcement may be accessed at the Company's website at the URL <http://www.cschl.com.sg>; the CSC AGM Website at the URL <http://conveneagm.sg/csc2021> and SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

4. **A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.** Members will also not be able to vote online on the resolutions to be tabled for approval at the AGM.
5. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in respect of each of the resolutions in the Proxy Form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

Please refer to the detailed information set out in the Proxy Form.

6. Investors holding shares through the Central Provident Fund ("CPF") or Supplementary Retirement Scheme ("SRS") who wish to appoint the Chairman of the Meeting as proxy should not make use of the Proxy Form and should instead approach their respective CPF Agent Banks or SRS Operators to submit their votes (including pre-submission of questions) by 10:00 am on 19 July 2021, being at least seven (7) working days before the date of the AGM.
7. The Chairman of the Meeting, as proxy, need not be a member of the Company.
8. The Proxy Form appointing the Chairman of the Meeting as proxy, duly completed and signed, must be submitted to the Company no later than **10:00 am on 26 July 2021**, being 72 hours before the time appointed for holding the AGM, through any one of the following means:
- (a) via electronic format accessible on the CSC AGM Website URL <http://conveneagm.sg/csc2021>; or
  - (b) by depositing a physical copy at the office of the Share Registrar of the Company, M&C Services Private Limited, at 112 Robinson Road, #05-01 Singapore 068902; or
  - (c) by sending a scanned PDF copy via email to [gpb@mncsingapore.com](mailto:gpb@mncsingapore.com),

failing which, the Proxy Form will not be treated as valid.

9. In the case of submission of the Proxy Form other than via the CSC AGM Website, the Proxy Form must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its seal or under the hand of its attorney or duly authorised officer. Where the Proxy Form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the Proxy Form.

# 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 a Proxy Form appointing the Chairman of the Meeting as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, or (b) completing the pre-registration process to participate in the AGM in accordance with this Notice of AGM, or (c) submitting any question prior to the AGM in accordance with this Notice of AGM, a member of the Company consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents, advisers or service providers) for the following purposes:

- (i) processing, administration and analysis by the Company (or its agents, advisers or service providers) of Proxy Form appointing the Chairman of the Meeting as the proxy for the AGM (including any adjournment thereof);
- (ii) preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof);
- (iii) processing of pre-registration for participation at the AGM for purpose of granting access to members to the 2021 AGM Live Webcast and providing them with any technical assistance when necessary;
- (iv) addressing substantial and relevant questions related to the resolutions to be tabled for approval at the AGM from members received before the AGM and if necessary, following up with the relevant members in relation to such questions; and
- (v) enabling the Company (or its agents, advisers or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities.

# DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr See Yen Tarn and Mr Ong Tiew Siam are the Directors seeking re-election (the “**Retiring Directors**”) at the forthcoming Annual General Meeting of the Company to be convened on 29 July 2021 (“**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 SEE YEN TARN	MR ONG TIEW SIAM
Date of Appointment	11 November 2005	28 July 2018
Date of last re-election/ re-appointment	Not applicable.  Pursuant to Rule 720(5) of Listing Manual of the SGX-ST, Mr See Yen Tarn will be seeking re-election at the forthcoming Annual General Meeting.	24 July 2019
Age	64	68
Country of principal residence	Singapore	Singapore
The Board’s comments on this re-election/appointment (including rationale, selection criteria, and the search and nomination process)	<p>The Board of Directors (“Board”) of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the contribution and performance, attendance, preparedness and participation at Board and/or Board Committee meetings, candour and suitability of Mr See Yen Tarn for his re-election as an Executive Director of the Company.</p> <p>The Board is satisfied that Mr See Yen Tarn possesses the relevant experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.</p>	<p>The Board of Directors (“Board”) of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the contribution, independence, performance, attendance, preparedness and participation at Board and/or Board Committee meetings, candour and suitability of Mr Ong Tiew Siam for his re-election as an Independent Non-Executive Director of the Company.</p> <p>The Board is satisfied that Mr Ong Tiew Siam possesses the relevant experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.</p>
Whether appointment is executive, and if so, the area of responsibility	Executive. Mr See Yen Tarn is responsible for the day-to-day operations of the Group, as well as monitoring the quality and timeliness of information flow between the Board and the Management.	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director, Group Chief Executive Officer, Member of the Nominating Committee and Risk Management Committee	Independent Non-Executive Director, Chairman of the Audit Committee and Risk Management Committee and Member of Remuneration Committee



# DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR SEE YEN TARN	MR ONG TIEW SIAM
Professional qualifications	<ol style="list-style-type: none"> <li>1. Bachelor degree in Accountancy from the National University of Singapore</li> <li>2. Chartered Accountant (England and Wales) in London</li> </ol>	<ol style="list-style-type: none"> <li>1. Bachelor of Commerce (Accountancy) (Honours) degree from former Nanyang University, Singapore</li> <li>2. Fellow member of the Institute of Singapore Chartered Accountants</li> </ol>
Working experience and occupation(s) during the past 10 years	Executive Director and the Chief Executive Officer of CSC Holdings Limited.	Mr Ong Tiew Siam has over 40 years of experience in finance, accounting and administration. Mr Ong also sits on the board of other SGX listed companies.
Shareholding interest in the listed issuer and its subsidiaries	<p>22,449,996 shares in CSC Holdings Limited registered in the name of nominee accounts.</p> <p>1 share in ICE Far East (Thailand) Co. Ltd.</p>	18,000,000 shares in CSC Holdings Limited
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
<p>Other Principal Commitments*</p> <p>Including Directorships</p> <p>(* "Principal Commitments" has the same meaning as defined in the Code of Corporate Governance 2018)</p> <p>Past (for the last 5 years)</p>	<p>Director of:</p> <ol style="list-style-type: none"> <li>1. Edmax Design Pte Ltd</li> <li>2. Le Jia (S) Pte Ltd</li> <li>3. LCT Holdings Limited</li> <li>4. Singhaiyi Group Ltd</li> </ol> <p>Director of CSC Group of Companies:</p> <ol style="list-style-type: none"> <li>1. Kolette Pte Ltd</li> <li>2. ICE Far East Offshore Pte Ltd</li> <li>3. Top3 Development Sdn Bhd</li> </ol>	<p>Director of:</p> <ol style="list-style-type: none"> <li>1. Fung Choi Media Group Limited</li> <li>2. Tat Hong Equipment Services Co. Ltd</li> <li>3. Tat Hong Holdings Ltd</li> <li>4. Ng Chwee Cheng Foundation Limited</li> <li>5. Design Studio Group Ltd</li> </ol>

# DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR SEE YEN TARN	MR ONG TIEW SIAM
Present	<p>Director of:</p> <ol style="list-style-type: none"> <li>1. Eindex Corporation Limited</li> <li>2. Asia East Investment Pte Ltd</li> </ol> <p>Director of CSC Group of Companies</p> <ol style="list-style-type: none"> <li>1. Borneo Geotechnic Sdn Bhd</li> <li>2. Changsha THL Foundation Equipment Co., Ltd</li> <li>3. Coldhams Alliance Pte Ltd</li> <li>4. CS Bored Pile System Pte Ltd</li> <li>5. CS Construction &amp; Geotechnic Pte Ltd</li> <li>6. CS Geo (Malaysia) Sdn Bhd</li> <li>7. CS Ground Engineering (International) Pte Ltd</li> <li>8. CS Industrial Properties Pte Ltd</li> <li>9. CSC Ground Engineering Sdn Bhd</li> <li>10. CS Real Estate Investments Pte Ltd</li> <li>11. DW Foundation Pte Ltd</li> <li>12. G-Pile Sistem Sdn Bhd</li> <li>13. GPSS Geotechnic Sdn Bhd</li> <li>14. ICE Far East (HK) Limited</li> <li>15. ICE Far East Pte Ltd</li> <li>16. ICE Far East Sdn Bhd</li> <li>17. ICE Far East (Thailand) Co., Ltd</li> <li>18. IMT-THL India Private Limited</li> <li>19. L&amp;M Foundation Specialist Pte Ltd</li> <li>20. L&amp;M Ground Engineering Sdn Bhd</li> <li>21. NHCS Investment Pte Ltd</li> <li>22. NH Singapore Biotechnology Pte Ltd</li> <li>23. THL Engineering Pte Ltd</li> <li>24. THL Foundation Equipment Pte Ltd</li> <li>25. THL Foundation Equipment (Myanmar) Co., Ltd.</li> <li>26. THL Vietnam Company Limited</li> <li>27. Wisescan Engineering Services Pte Ltd</li> </ol>	<p>Director of Valuetronics Holdings Ltd</p>

# DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR SEE YEN TARN	MR ONG TIEW SIAM
	28. 2TPC Pte Ltd 29. 2TPC Investments Pte Ltd 30. Cambridge (Coldham's Lane) Limited 31. Hemingford (Coldhams Lane) Limited  Member of: Members' Council of L&M Foundation Specialist (Vietnam) Limited Company	
<b>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.</b>		
	MR SEE YEN TARN	MR ONG TIEW SIAM
(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	Yes.  Mr Ong Tiew Siam was an independent non-executive director of Fung Choi Media Group Limited ("FCM"), a company incorporated in Bermuda which was previously listed on the mainboard of the SGX-ST. He was not in charge of the day-to-day running of FCM. On 20 March 2015, a winding up petition on the grounds of insolvency was made by BCA Best Business Service Limited (the "Bondholder") with the Supreme Court of Bermuda ("Bermuda Court") in relation to an outstanding debt of USD 43,939,101 due from FCM to the Bondholder. On 25 November 2016, the Bermuda Court heard the winding up petition and made an order for FCM to be wound up. FCM was accordingly delisted from the mainboard of the SGX-ST on 24 July 2017.
(c) Whether there is any unsatisfied judgment against him?	No	No

# DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR SEE YEN TARN	MR ONG TIEW SIAM
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(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

# DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR SEE YEN TARN	MR ONG TIEW SIAM
(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
<p>(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-</p> <p>i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p> <p>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</p> <p>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</p> <p>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,</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	No	No

# DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR SEE YEN TARN	MR ONG TIEW SIAM
(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
<b>Disclosure applicable to the appointment of Director only</b>		
	MR SEE YEN TARN	MR ONG TIEW SIAM
Any prior experience as a director of a listed company?	Not Applicable	Not Applicable
If yes, please provide details of prior experience.		
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.		
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).		



## 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. The Annual General Meeting ("AGM" or the "Meeting") of CSC Holdings Limited is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Due to the current COVID-19 restriction orders in Singapore, members of the Company will NOT be able to attend the Meeting in person and will also NOT be able to vote online on the resolutions to be tabled for approval at the AGM.
2. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.
3. This Proxy Form is not valid for use by investors holding shares through relevant intermediaries (as defined in Section 181 of the Companies Act, Chapter 50) (including CPF/SRS investors) and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. CPF/SRS investors who wish to appoint the Chairman of the Meeting as proxy to vote should approach their respective CPF Agent Banks or SRS Operators to submit their votes **by 10:00 am on 19 July 2021**.

I/We, \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport No./Registration No.)

of \_\_\_\_\_ (Address)

being a member/members of **CSC HOLDINGS LIMITED** (the "**Company**" or "**CSC**"), hereby appoint(s) the Chairman of the Meeting as my/our proxy to attend, speak and vote for me/us on my/our behalf at the Annual General Meeting ("**AGM**" or the "**Meeting**") of the Company to be held by way of electronic means on Thursday, 29 July 2021 at 10:00 am and at any adjournment thereof.

I/We direct the Chairman of the Meeting as my/our proxy to vote for or against, or to abstain from voting on, the resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the appointment of the Chairman of the Meeting as my/our proxy will be treated as invalid.

(Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to cast all your votes "For" or "Against", or "Abstain" from voting on, the relevant resolution, please tick [✓] within the relevant box provided below. Alternatively, if you wish the Chairman of the Meeting as your proxy to cast your votes both "For" and "Against" the relevant resolution, please indicate the number of shares in the relevant boxes provided below.)

No.	Resolutions relating to:	Number of Votes For	Number of Votes Against	Abstain
	<b>Ordinary Business</b>			
1	Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 31 March 2021 and Auditors' Report thereon			
2	Re-election of Mr Ong Tiew Siam as a Director			
3	Re-election of Mr See Yen Tarn as a Director			
4	Approval of Directors' fees of up to S\$329,000 for the financial year ending 31 March 2022, to be paid quarterly in arrears			
5	Re-appointment of KPMG LLP as Auditors and to authorise the Directors to fix their remuneration			
	<b>Special Business</b>			
6	Share Issue Mandate			
7	Proposed Adoption of the Share Buy-Back Mandate			

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2021

Total number of Shares in:	
(a) Depository Register	
(b) Register of Members	

Signature or Common Seal of Member(s)

**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 the member has shares entered against his/her/its name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289) maintained by The Central Depository (Pte) Limited, such member should insert that number of shares. If the member has shares registered in his/her/its name in the Register of Members maintained by or on behalf of the Company, such member should insert that number of shares. If the member has shares entered against his/her/its name in the Depository Register and shares registered in his/her/its name in the Register of Members, such member should insert the aggregate number of shares entered against his/her/its name in the Depository Register and registered in his/her/its name in the Register of Members. If no number is inserted, the instrument appointing a proxy shall be deemed to relate to all the shares held by the member.
2. Due to the current COVID-19 restriction orders in Singapore, members of the Company will NOT be able to attend the Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Meeting if such member wishes to exercise his/her/its voting rights at the Meeting. Printed copies of this proxy form will not be sent to members. Instead, this proxy form has been published via, and is available for download from, the Company's website at the URL <http://www.cschl.com.sg>; the website set up for the purpose of the AGM, at the URL <http://conveneagm.sg/csc2021> ("CSC AGM Website"); and SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
3. Investors holding shares through relevant intermediaries (as defined in Section 181 of the Companies Act, Chapter 50) (other than CPF/SRS investors) who wish to appoint the Chairman of the Meeting as proxy should approach their relevant intermediaries **as soon as possible** to submit their votes.

"Relevant intermediary" means:

- a banking corporation licensed under the Banking Act (Cap. 19) of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- a person holding a capital markets services licence to provide custodial services under the Securities and Futures Act (Cap. 289) of Singapore and who holds shares in that capacity; or
- the Central Provident Fund Board ("CPF Board") established by the Central Provident Fund Act (Cap. 36) of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **10:00 am on 19 July 2021**, being at least seven (7) working days before the date of the AGM.

4. The Chairman of the Meeting, as proxy, need not be a member of the Company.

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5. The instrument appointing the Chairman of the Meeting as proxy, duly completed and signed, must be submitted to the Company no later than **10:00 am on 26 July 2021**, being 72 hours before the time appointed for holding the AGM, through any one of the following means:
  - (a) via electronic format accessible on the CSC AGM Website at the URL <http://conveneagm.sg/csc2021>; or
  - (b) by depositing a physical copy at the office of the Share Registrar of the Company, M&C Services Private Limited, at 112 Robinson Road, #05-01 Singapore 068902; or
  - (c) by sending a scanned PDF copy via email to [gpb@mncsingapore.com](mailto:gpb@mncsingapore.com), failing which, the instrument will not be treated as valid.
6. In the case of submission of the Proxy Form other than via the CSC AGM Website, the Proxy Form must be executed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its seal or under the hand of its attorney or duly authorised officer, on behalf of the corporation. Where the Proxy Form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged together with the instrument appointing the Chairman of the Meeting as proxy.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act, Chapter 50.
8. Any alterations made in this instrument appointing the Chairman of the Meeting as proxy should be initialled by the member/person signing it.

### General:-

The Company shall be entitled to reject an instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument appointing the Chairman of the Meeting as proxy lodged if the member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company. A depositor shall not be regarded as a member of the Company entitled to attend the Meeting and to speak and vote thereat unless his/her name appears on the Depository Register as at 72 hours before the time set for the Meeting.

### PERSONAL DATA PRIVACY:

By submitting this Proxy Form, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 14 July 2021.





**CSC HOLDINGS LIMITED**  
(199707845E)

120 Pioneer Road, #04-01, Singapore 639597  
T. +65 6367 0933 F. +65 6367 0911 E. corp@cschl.com.sg  
**[www.cschl.com.sg](http://www.cschl.com.sg)**

**LETTER TO SHAREHOLDERS DATED 14 JULY 2021 (“LETTER”)**

**THIS LETTER IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**If you are in doubt about the contents or the 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 ADOPTION OF THE SHARE BUY-BACK MANDATE**

Last date and time for lodgement of Proxy Form	:	26 July 2021 at 10.00 a.m.
Date and time of AGM	:	29 July 2021 at 10.00 a.m.
Place of AGM	:	The AGM will be held by way of electronic means.

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## DEFINITIONS

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

<b>“ACRA”</b>	:	Accounting & Corporate Regulatory Authority of Singapore
<b>“AGM”</b>	:	The annual general meeting of the Company to be held on 29 July 2021 at 10.00 a.m. by way of electronic means
<b>“Approval Date”</b>	:	Has the meaning ascribed to it in Section 2.1 of this Letter
<b>“Associate”</b>	:	(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;  (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
<b>“Average Closing Price”</b>	:	Has the meaning ascribed to it in Section 2.3.4 of this Letter
<b>“Board”</b>	:	The Board of Directors of the Company, as at the Latest Practicable Date
<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“Company”</b>	:	CSC Holdings Limited
<b>“Companies Act”</b>	:	The Companies Act (Chapter 50) of Singapore, as amended or modified from time to time
<b>“Constitution”</b>	:	The constitution of the Company, as amended from time to time



<b>“control”</b>	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
<b>“Controlling Shareholder”</b>	:	A person who: <ul style="list-style-type: none"> <li>(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</li> <li>(b) in fact, exercises control over the Company</li> </ul>
<b>“Director”</b>	:	A director of the Company as at the Latest Practicable Date
<b>“EPS”</b>	:	Earnings per Share
<b>“Executive Director”</b>	:	A director of the Company who performs an executive function
<b>“FY2021”</b>	:	Financial year ended 31 March 2021
<b>“Group”</b>	:	The Company, its subsidiaries, and associated companies (if any) collectively
<b>“Independent Director”</b>	:	Any independent director of the Company as may be appointed from time to time
<b>“Latest Practicable Date”</b>	:	1 July 2021, being the latest practicable date prior to the despatch of this Letter
<b>“Listing Manual”</b>	:	The Listing Manual of the SGX-ST and its relevant rule(s), as may be amended or modified from time to time
<b>“Market Day”</b>	:	A day on which the SGX-ST is open for trading in securities
<b>“Market Purchase”</b>	:	Has the meaning ascribed to it in Section 2.3.3 of this Letter
<b>“NAV”</b>	:	Net asset value
<b>“Notice of AGM”</b>	:	The notice of the AGM dated 14 July 2021
<b>“Off-Market Purchase”</b>	:	Has the meaning ascribed to it in Section 2.3.3 of this Letter

<b>“Relevant Period”</b>	:	The period commencing from the date on which the ordinary resolution relating to the Share Buy-Back Mandate is passed in a general meeting and expiring on the earliest of the conclusion 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
<b>“Securities Accounts”</b>	:	The securities accounts maintained by Depositors with CDP, but not including the securities accounts maintained with a Depository Agent
<b>“SFA”</b>	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time
<b>“SGX-ST”</b>	:	The Singapore Exchange Securities Trading Limited
<b>“Share Buy-Back Mandate”</b>	:	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 otherwise 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
<b>“Share(s)”</b>	:	Ordinary share(s) in the capital of the Company
<b>“Shareholders”</b>	:	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
<b>“SIC”</b>	:	The Securities Industry Council of Singapore
<b>“Substantial Shareholder”</b>	:	A person (including a corporation) who has an interest or interests in one or more voting Shares in the Company and the total vote attached to that Share, or those Shares, is not less than 5% (directly or indirectly) of the total votes attached to all voting Shares in the Company
<b>“Take-over Code”</b>	:	The Singapore Code on Take-overs and Mergers, as modified, supplemented or amended from time to time
<b>“Treasury Shares Limit”</b>	:	Has the meaning ascribed to it in Section 2.5.1 of this Letter
<b>“Treasury Shares”</b>	:	Shares purchased or otherwise 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 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 Non-Executive Chairman)  
Mr. See Yen Tarn (Executive Director / Group Chief Executive Officer)  
Mr. Teo Beng Teck (Non-Executive Director)  
Mr. Ong Tiew Siam (Independent Director)  
Mr. Tan Hup Foi @ Tan Hup Hoi (Independent Director)

**Registered Office**

120 Pioneer Road  
#04-01  
Singapore 639597

14 July 2021

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 under the heading of “Special Business” set out in the Notice of AGM which relates to the proposed adoption 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 adoption 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.

**2. THE PROPOSED ADOPTION 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 otherwise 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 otherwise acquire its issued Shares on such terms and subject to such conditions as the Company may prescribe in general meeting. 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 its shareholders.

Accordingly, approval is being sought from Shareholders at the AGM for the proposed adoption of a 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 otherwise 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 adoption 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 adoption 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 adoption of the Share Buy-Back Mandate**

The proposed adoption of the Share Buy-Back Mandate will give the Company the flexibility to purchase or otherwise 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 otherwise 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 de-listed 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 3,567,828,176 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 356,782,817 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 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 conclusion 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.

#### 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 the 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 offers may relate to Shares with different accrued dividend entitlements;
  - (2) (if applicable) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; 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 adjusted for any corporate action that occurs during the relevant five (5)-day period and the day on which the purchases are made.

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 otherwise 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 otherwise 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 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 will be cancelled or kept as Treasury Shares, or partly cancelled and partly kept as Treasury Shares, as the Directors deem fit in the interest of the Company at that time.

## 2.5 Treasury Shares

Under the Companies Act, Shares purchased or otherwise 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 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 amount is allowed so long as the total value of the Treasury Shares after the subdivision or consolidation is the same as before.

### 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 otherwise 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 shall notify the SGX-ST of all 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 shall 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 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 its 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 Company will only make purchases or acquisitions pursuant to the Share Buy-Back Mandate in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or would cause the Company to be insolvent.

## 2.8 Financial effects

Under the Companies Act, the purchase or acquisition 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 3,567,828,176 Shares. The exercise in full of the Share Buy-Back Mandate would result in the purchase of 356,782,817 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 otherwise 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 otherwise 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 FY2021 are based on the following assumptions:

- (a) based on 3,567,828,176 Shares in issue 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 356,782,817 Shares;
- (b) in the case of Market Purchases by the Company and assuming that the Company purchases or acquires 356,782,817 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\$0.013 for one Share which is five per cent. (5%) above the average of the closing market prices of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date, is approximately S\$4,638,000; and

- (c) in the case of the Off-Market Purchases by the Company and assuming that the Company purchases or acquires 356,782,817 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\$0.015 which is 20% above the average 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\$5,352,000.

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 356,782,817 Shares by the Company pursuant to the Share Buy-Back Mandate by way of Market Purchases made entirely out of profit and/or capital and cancelled or held in treasury; and
- (ii) purchase or acquisition of 356,782,817 Shares by the Company pursuant to the Share Buy-Back Mandate by way of Off-Market Purchases made entirely out of profits and/or capital and cancelled or held in treasury,

on the audited financial statements of the Company and the Group for FY2021 are set out below.

**Scenario 1A: Purchases made entirely out of capital and cancelled**

	Group			Company		
	Before Share Buy-Back	After Share Market Purchase	Share Buy-Back Off-Market Purchase	Before Share Buy-Back	After Share Market Purchase	Share Buy-Back Off-Market Purchase
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>As at 31 March 2021</b>						
Share Capital	94,089	89,451	88,737	94,089	89,451	88,737
Capital Reserve	17,798	17,798	17,798	17,798	17,798	17,798
Reserve for own shares	(2,354)	(2,354)	(2,354)	(2,354)	(2,354)	(2,354)
Other Reserves	(5,844)	(5,844)	(5,844)	–	–	–
Accumulated Profits/(Losses)	16,768	16,768	16,768	(1,900)	(1,900)	(1,900)
Non-controlling interests	27,234	27,234	27,234	–	–	–
Total equity	147,691	143,053	142,339	107,633	102,995	102,281
NAV	147,691	143,053	142,339	107,633	102,995	102,281
Current Assets <sup>(1)</sup>	176,168	171,530	170,816	21,424	16,786	16,072
Current Liabilities <sup>(1)</sup>	158,009	158,009	158,009	12,483	12,483	12,483
Working Capital	18,159	13,521	12,807	8,941	4,303	3,589
Total Borrowings <sup>(1) (2)</sup>	76,653	76,653	76,653	3,000	3,000	3,000
Cash and Cash Equivalents <sup>(1)</sup>	34,604	29,966	29,252	3,458	3,458	3,458
Total issued number of Shares (excluding Treasury Shares) ('000)	3,567,828	3,211,045	3,211,045	3,567,828	3,211,045	3,211,045
Weighted average number of Shares ('000)	2,938,616	2,581,833	2,581,833	2,938,616	2,581,833	2,581,833
Profit/(Loss) attributable to owner of the company for the year	(10,955)	(10,955)	(10,955)	(17,321)	(17,321)	(17,321)

	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
<b>Financial Ratios</b>						
NAV per Share (Cents)	4.1	4.5	4.4	3.0	3.2	3.2
Gearing (times)	0.52	0.54	0.54	0.03	0.03	0.03
Current Ratio (times)	1.1	1.1	1.1	1.7	1.3	1.3
Basic EPS (cents)	(0.37)	(0.42)	(0.42)	(0.59)	(0.67)	(0.67)

**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 1B: Purchases made entirely out of profit 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
<b>As at 31 March 2021</b>						
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	(2,354)	(2,354)	(2,354)	(2,354)	(2,354)	(2,354)
Other Reserves	(5,844)	(5,844)	(5,844)	–	–	–
Accumulated Profits/(Losses)	16,768	12,130	11,416	(1,900)	(6,538)	(7,252)
Non-controlling interests	27,234	27,234	27,234	–	–	–
Total equity	147,691	143,053	142,339	107,633	102,995	102,281
NAV	147,691	143,053	142,339	107,633	102,995	102,281
Current Assets <sup>(1)</sup>	176,168	171,530	170,816	21,424	16,786	16,072
Current Liabilities <sup>(1)</sup>	158,009	158,009	158,009	12,483	12,483	12,483
Working Capital	18,159	13,521	12,807	8,941	4,303	3,589
Total Borrowings <sup>(1) (2)</sup>	76,653	76,653	76,653	3,000	3,000	3,000
Cash and Cash Equivalents <sup>(1)</sup>	34,604	29,966	29,252	3,458	3,458	3,458
Total issued number of Shares (excluding Treasury Shares) ('000)	3,567,828	3,211,045	3,211,045	3,567,828	3,211,045	3,211,045
Weighted average number of Shares ('000)	2,938,616	2,581,833	2,581,833	2,938,616	2,581,833	2,581,833
Profit/(Loss) attributable to owner of the company for the year	(10,955)	(10,955)	(10,955)	(17,321)	(17,321)	(17,321)

	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
<b>Financial Ratios</b>						
NAV per Share (Cents)	4.1	4.5	4.4	3.0	3.2	3.2
Gearing (times)	0.52	0.54	0.54	0.03	0.03	0.03
Current Ratio (times)	1.1	1.1	1.1	1.7	1.3	1.3
Basic EPS (cents)	(0.37)	(0.42)	(0.42)	(0.59)	(0.67)	(0.67)

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

	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
<b>As at 31 March 2021</b>						
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	(2,354)	(6,992)	(7,706)	(2,354)	(6,992)	(7,706)
Other Reserves	(5,844)	(5,844)	(5,844)	–	–	–
Accumulated Profits/(Losses)	16,768	16,768	16,768	(1,900)	(1,900)	(1,900)
Non-controlling interests	27,234	27,234	27,234	–	–	–
Total equity	147,691	143,053	142,339	107,633	102,995	102,281
NAV	147,691	143,053	142,339	107,633	102,995	102,281
Current Assets <sup>(1)</sup>	176,168	171,530	170,816	21,424	16,786	16,072
Current Liabilities <sup>(1)</sup>	158,009	158,009	158,009	12,483	12,483	12,483
Working Capital	18,159	13,521	12,807	8,941	4,303	3,589
Total Borrowings <sup>(1) (2)</sup>	76,653	76,653	76,653	3,000	3,000	3,000
Cash and Cash Equivalents <sup>(1)</sup>	34,604	29,966	29,252	3,458	3,458	3,458
Total issued number of Shares (excluding Treasury Shares) ('000)	3,567,828	3,211,045	3,211,045	3,567,828	3,211,045	3,211,045
Weighted average number of Shares ('000)	2,938,616	2,581,833	2,581,833	2,938,616	2,581,833	2,581,833
Profit/(Loss) attributable to owner of the company for the year	(10,955)	(10,955)	(10,955)	(17,321)	(17,321)	(17,321)



	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
<b>Financial Ratios</b>						
NAV per Share (Cents)	4.1	4.5	4.4	3.0	3.2	3.2
Gearing (times)	0.52	0.54	0.54	0.03	0.03	0.03
Current Ratio (times)	1.1	1.1	1.1	1.7	1.3	1.3
Basic EPS (cents)	(0.37)	(0.42)	(0.42)	(0.59)	(0.67)	(0.67)

**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 2B: Purchases made entirely out of profits and held as Treasury Shares**

	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
<b>As at 31 March 2021</b>						
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	(2,354)	(6,992)	(7,706)	(2,354)	(6,992)	(7,706)
Other Reserves	(5,844)	(5,844)	(5,844)	–	–	–
Accumulated Profits/(Losses)	16,768	16,768	16,768	(1,900)	(1,900)	(1,900)
Non-controlling interests	27,234	27,234	27,234	–	–	–
Total equity	147,691	143,053	142,339	107,633	102,995	102,281
NAV	147,691	143,053	142,339	107,633	102,995	102,281
Current Assets <sup>(1)</sup>	176,168	171,530	170,816	21,424	16,786	16,072
Current Liabilities <sup>(1)</sup>	158,009	158,009	158,009	12,483	12,483	12,483
Working Capital	18,159	13,521	12,807	8,941	4,303	3,589
Total Borrowings <sup>(1) (2)</sup>	76,653	76,653	76,653	3,000	3,000	3,000
Cash and Cash Equivalents <sup>(1)</sup>	34,604	29,966	29,252	3,458	3,458	3,458
Total issued number of Shares (excluding Treasury Shares) ('000)	3,567,828	3,211,045	3,211,045	3,567,828	3,211,045	3,211,045
Weighted average number of Shares ('000)	2,938,616	2,581,833	2,581,833	2,938,616	2,581,833	2,581,833
Profit/(Loss) attributable to owner of the company for the year	(10,955)	(10,955)	(10,955)	(17,321)	(17,321)	(17,321)

	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
<b>Financial Ratios</b>						
NAV per Share (Cents)	4.1	4.5	4.4	3.0	3.2	3.2
Gearing (times)	0.52	0.54	0.54	0.03	0.03	0.03
Current Ratio (times)	1.1	1.1	1.1	1.7	1.3	1.3
Basic EPS (cents)	(0.37)	(0.42)	(0.42)	(0.59)	(0.67)	(0.67)

**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 share market conditions and 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 FY2021, 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 otherwise 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 otherwise 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 otherwise 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.

## 2.9 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.

### 2.9.1 Obligation to make a take-over offer

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.

### 2.9.2 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, subsidiaries and fellow subsidiaries, and their associated companies, any company whose associated companies include any of the foregoing companies. 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.**

#### 2.9.3 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 is that, unless exempted, if, as a result of any purchase or acquisition by the Company of its Shares, the proportionate percentage of voting rights held by a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of the Take-over Code. If as a result of such increase, a Shareholder or group of Shareholders acting in concert with a Director obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert with a Director could become obliged to make a take-over offer for the Company under Rule 14.

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.

#### 2.9.4 Advice to Shareholders

**Shareholders are advised to consult their professional advisers and/or the SIC and/or other relevant authorities at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any share purchases by the Company.**

## 2.9.5 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 (%) <sup>(1)</sup>	After Share Buy-Back based on Total Interest (%) <sup>(2)</sup>
	Direct interest	Deemed Interest		
<b>Name of Director</b>				
Dr. Leong Horn Kee	—	—	—	—
Mr. See Yen Tarn <sup>(3)</sup>	—	22,449,996	0.63	0.70
Mr. Teo Beng Teck	12,095,000	—	0.34	0.38
Mr. Ong Tiew Siam	18,000,000	—	0.50	0.56
Mr. Tan Hup Foi @ Tan Hup Hoi	—	—	—	—
<b>Name of Substantial Shareholders (other than Directors)</b>				
TH Investments Pte Ltd <sup>(4)</sup>	—	1,092,727,509	30.63	34.03
Tat Hong Investments Pte Ltd <sup>(4)</sup>	—	1,092,727,509	30.63	34.03
Chwee Cheng & Sons Pte Ltd <sup>(4)</sup>	—	1,092,727,509	30.63	34.03
Mr. Ng Sun Ho Tony <sup>(4)</sup>	—	1,092,727,509	30.63	34.03
Mr. Ng San Wee David <sup>(4)</sup>	—	1,092,727,509	30.63	34.03
Mr. Ng Sun Giam Roger <sup>(4)</sup>	—	1,092,727,509	30.63	34.03
Mr. Ng San Tiong Roland <sup>(4) (5)</sup>	—	1,116,648,503	31.30	34.78
Ng Chwee Cheng Corporation <sup>(6)</sup>	314,542,494	—	8.82	9.80
BOS Trustee Limited <sup>(6)</sup>	—	314,542,494	8.82	9.80
Bank of Singapore Limited <sup>(6)</sup>	—	314,542,494	8.82	9.80
Oversea-Chinese Banking Corporation Limited <sup>(6)</sup>	—	314,542,494	8.82	9.80
Mr. Ng Chwee Cheng <sup>(6) (7)</sup>	3,760,000	318,442,494	9.03	10.03
Dr. Chiu Hong Keong or Mdm. Khoo Yok Kee <sup>(8)</sup>	519,093,400	319,100	14.56	16.18

**Notes:**

- (1) The percentage of shareholdings was computed based on the total number of Shares as at the Latest Practicable Date of 3,567,828,176 (which excludes 20,520,000 Shares which are held as Treasury Shares representing approximately 0.58% of the total number of issued Shares excluding Treasury Shares and subsidiary holdings).
- (2) The percentages in the table are calculated based on 3,211,045,359 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) 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.
- (5) Mr. Ng San Tiong Roland is deemed to have an interest in 23,920,994 Shares held 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.

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 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 356,782,817 Shares under the proposed Share Buy-Back Mandate.

## **2.10 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 1,529,015,148 issued Shares representing approximately 42.86% 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 356,782,817 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 1,172,232,331 Shares, representing approximately 36.51% 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.

#### **2.11 Shares purchased by the Company**

The Company has not purchased any Shares during the 12 months preceding the Latest Practicable Date.

#### **2.12 Timing of purchases**

While the Listing Manual does not expressly prohibit any purchase 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. In particular, in observing the best practices on securities dealings under Rule 1207(19), the Company will not purchase or acquire any Shares through Market Purchases during the period commencing one (1) month immediately preceding the announcement of the Company’s half year or full year financial statements, as the case may be, and ending on the date of the announcement of the relevant results.

#### **2.13 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 by way of electronic means on Thursday, 29 July 2021, at 10.00 a.m. to seek the approval of the Shareholders for the ordinary resolution in relation to the proposed adoption of the Share Buy-Back Mandate.

### **4. DIRECTORS’ RECOMMENDATION**

Having fully considered the rationale set out in paragraph 2.2 of this Letter, the Directors are of the opinion that the proposed adoption of the Share Buy-Back Mandate is in the best interests of the Company and accordingly recommend that the Shareholders vote in favour of the ordinary resolution in respect of the proposed adoption of the Share Buy-Back Mandate as set out in the Notice of AGM.



## **5. 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 adoption 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.

## **6. 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.

## **7. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the Company's Constitution and the Annual Report for the financial year ended 31 March 2021 are available for inspection during normal office hours at the registered office of the Company at 120 Pioneer Road, #04-01, Singapore 639597 from the date of this Letter up to and including the date of the AGM.

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