



CSC HOLDINGS LIMITED

(Company Registration Number: 199707845E)

Financial Statements Announcement
for the First Quarter Ended 30 June 2009

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Review of the Performance of the Group

CONSOLIDATED INCOME STATEMENT

1Q10 – for the 3 months ended 30 June 2009
1Q09 – for the 3 months ended 30 June 2008
4Q09 – for the 3 months ended 31 March 2009

Review of Results for the First Quarter Ended 30 June 2009

Despite a quarter-on-quarter decrease in revenue, CSC Holdings Limited and its subsidiaries (“collectively referred to as “the Group” or “CSC”) reported a slight improvement in net profit after tax of \$6.7 million in 1Q10, up from \$6.6 million in 4Q09. Basic earnings per share was 0.49 cents in 1Q10, down slightly from 0.55 cents in 4Q09.

	1Q10 \$'000	4Q09 \$'000	Change %	1Q10 \$'000	1Q09 \$'000	Change %
Revenue	81,358	110,871	(26.6)	81,358	156,846	(48.1)
Gross Profit	15,119	15,802	(4.3)	15,119	28,818	(47.5)
Profit before income tax	8,321	7,320	13.7	8,321	17,779	(53.2)
Profit for the period	6,681	6,600	1.2	6,681	14,163	(52.8)

Revenue

The Group registered a 26.6% decline in revenue from \$110.9 million in 4Q09 to \$81.4 million in 1Q10. Year-on-year, revenue fell from \$156.8 million in 1Q09 to \$81.4 million in 1Q10, as the level of construction activity slowed down on the back of subdued demand from the private sector. Falling prices for certain key construction materials such as ready mixed concrete and reinforced steel bars, also led to a corresponding decrease in the value of new contracts secured, and ultimately resulted in lower revenue being recorded.

Gross Profit

Although gross profit declined in tandem with the reduction in revenue, the Group's efforts in tightening its cost controls and improving its operational efficiencies showed tangible results for its gross margin in the current quarter. CSC recorded a 4.3 percentage point improvement in gross margin to 18.6% for 1Q10, against 14.3% recorded in 4Q09. This was comparable to its gross margin of 18.4% recorded in 1Q09.

Operating Expenses

Administrative, distribution and other operating expenses (“Operating Expenses”) fell 32.6% to \$6.0 million from \$8.8 million in 4Q09, and 44% from \$10.6 million in 1Q09. This decline was mainly a result of continuing cost control measures taken by CSC in view of the lower volume of foundation engineering work in the past few quarters, following the onset of the economic downturn. The Group's Operating Expenses to Revenue Ratio was 7.3% in 1Q10, an improvement over 4Q09's ratio of 8.0%.

Finance Expenses

Net finance expenses included interest expense arising from loans and other borrowings from financial institutions, interest income from placements of fixed deposits with financial institutions, as well as gains or losses arising from the re-measurement of long term progress billings receivable that are recognised in the income statement, in accordance to the Singapore Financial Reporting Standards ("FRS").

Net finance expenses for 1Q10 were higher than 4Q09 as the Group recognised a charge of \$131,000 in the current quarter in accordance with FRS, as opposed to a gain of \$265,000 in 4Q09. Interest costs arising from loans and other borrowings fell to \$1.0 million, from \$1.2 million in 4Q09, due to a decrease in the Group's outstanding loan amount following repayments made in 1Q10.

Income Tax

Income tax expense for 1Q10 was \$1.6 million or approximately 19.7% of profit before tax. The income tax rate was higher than the Singapore tax rate of 17% due mainly to certain non tax deductible items and provisions included in the profit and loss account.

Profit After Tax

The Group's net profit for 1Q10 declined 52.8% to \$6.7 million year-on-year, but registered a sequential improvement of 1.2%.

BALANCE SHEET

Property, Plant and Equipment

Net Book Value of the Group's property, plant and equipment as of 30 June 2009 was \$126.4 million (31 March 2009: \$128.4 million). This was due to an acquisition of \$3.1 million worth of plant and equipment in 1Q10, versus a depreciation charge of \$5.1 million during the same period.

Non-current Trade and Other Receivables

Non-current trade and other receivables are mainly retention sums on projects. These receivables are due more than twelve months. There was a marginal increase in such retention sums as of 30 June 2009.

Net Current Assets

The Group's net current assets improved by 6.7% to \$68.1 million as of 30 June 2009 (31 March 2009: \$63.8 million). The Group's current ratio (current assets / current liabilities) had also improved by 5.9% to 1.43 as of 30 June 2009 (31 March 2009: 1.35), with cash and cash equivalents increasing by \$7.2 million to \$37.1 million.

Such improvements were achieved on the back of prudent working capital management and close monitoring of receivables.

Trade and Other Receivables

Trade and other receivables decreased by 14.2% to \$153.1 million (31 March 2009: \$178.4 million) in line with the lower revenue booked in 1Q10. Close monitoring of receivables enabled the Group to ensure prompt collection to minimise the risks of receivables turning bad.

Borrowings

The Group had \$74.1 million (31 March 2009: \$82.1 million) in loans and bank borrowings as at 30 June 2009, a \$8.0 million decrease due to the net repayment of debts in 1Q10. The Group's debt equity ratio had also decreased to 42.0% as compared to 48.6% in 31 March 2009.

Equity

In 1Q10, one million share options were exercised which resulted in an increase of \$0.15 million in the Group's share capital to \$64.5 million. Reserves and minority interest increased by \$7.2 million to \$111.7 million as at 30 June 2009. The increase in the reserves came from the net profit of \$6.0 million for 1Q10 and increase in share option reserves of \$0.5 million. Accordingly, Group equity as of 30 June 2009 was \$176.2 million compared to \$168.9 million as at 31 March 2009.

The Group's net asset value per share as of 30 June 2009 increased by 4.3% to 14.4 cents as compared to 13.8 cents as at 31 March 2009.

CASH FLOW

As at 30 June 2009, CSC's cash and cash equivalents was \$34.7 million (31 March 2009: \$25.7 million). The Group improved its cash and cash equivalent position by \$9.0 million for 1Q10.

Cash Flow from Operating Activities

The Group continued to generate positive operating cash inflow of \$17.4 million in 1Q10 as compared to \$23.6 million in 4Q09. The decline of 26.3% as compared to 4Q09 was in line with the lower revenue recorded in 1Q10.

Cash Flow from Investing Activities

The Group had a net cash outflow of \$1.5 million from investing activities and these were mainly payments made to acquire plant and equipment in 1Q10.

Cash Flow from Financing Activities

The Group repaid loans (including interest payments) of \$10.2 million in 1Q10 (4Q09: \$11.0 million). In addition the Group also raised some additional funds of \$3.0 million during 1Q10 through new facilities secured. These resulted in a net cash outflow recorded for financing activities in 1Q10.

Outlook

The Singapore government has recently predicted a smaller-than expected economic contraction of between 4% and 6% for 2009, compared to the initial 6% to 9% forecasted earlier in the year. Nevertheless, uncertainties continue to taint overall market sentiments, with the expectation that any recovery would be gradual and susceptible to downside risks. As such, the timing and extent of the pick up in activities remain unclear.

As for the domestic construction industry, public sector projects should continue to dominate the construction scene, in line with the Government's bid to stimulate the domestic economy. Such projects include HDB housing and upgrading projects, the construction of the Marina Coastal Expressway and the MRT line extensions. In all, public sector projects are expected to contribute some 75% of 2009's overall construction demand of between \$22 and \$28 billion. On this note, the Board of Directors remains optimistic that public sector construction demand will continue to generate a sustainable level of business activity for the Group.

Potential upside in private sector construction demand should be driven by the recently renewed interest in private residential property launches, where high take up rates could lead to an increase in developments being constructed in the next six months.

As at 3 August 2009, the Group's order book stood at approximately \$120 million (15 May 2009: \$110 million). Nevertheless, with its complete range of geotechnical and foundation engineering expertise, developed organically and via strategic acquisitions and partnerships in recent years, the Group believes that it is well-positioned to capitalize on any improvement in both public and private sector activity going forward.

Consolidated Income Statement for the 3 months ended 30 June 2009

	Note	Group		
		3 months ended		Change
		30-Jun-09	30-Jun-08	
		S\$'000	S\$'000	%
Revenue		81,358	156,846	(48.1)
Cost of sales	A	(66,239)	(128,028)	(48.3)
Gross profit		15,119	28,818	(47.5)
Other income	B	324	984	(67.1)
Distribution expenses		(13)	(5)	160.0
Administrative expenses		(250)	(522)	(52.1)
Other operating expenses	C	(5,689)	(10,110)	(43.7)
Results from operating activities		9,491	19,165	(50.5)
Finance income		8	20	(60.0)
Finance expenses		(1,145)	(1,366)	(16.2)
Net finance expenses	D	(1,137)	(1,346)	(15.5)
Share of loss of associates		(33)	(40)	(17.5)
Profit before income tax		8,321	17,779	(53.2)
Income tax expense	E	(1,640)	(3,616)	(54.6)
Profit for the period		6,681	14,163	(52.8)
Attributable to:				
Equity holders of the Company		6,016	13,553	(55.6)
Minority interests		665	610	9.0
Profit for the period		6,681	14,163	

Consolidated Statement of Comprehensive Income for the 3 months ended 30 June 2009

	Group		Change
	3 months ended		
	30-Jun-09	30-Jun-08	
	S\$'000	S\$'000	%
Profit for the period	6,681	14,163	(52.8)
Other comprehensive (expense)/income			
Translation differences relating to financial statements of foreign subsidiaries and associates	(10)	(345)	(97.1)
Translation differences relating to disposal of an associate	-	64	(100.0)
Net change in fair value of available-for-sale financial assets transferred to income statement	10	-	N/A
Other comprehensive income/(expense) for the period, net of tax	-	(281)	(100.0)
Total comprehensive income for the period	6,681	13,882	(51.9)
Attributable to:			
Equity holders of the Company	6,021	13,272	(54.6)
Minority interests	660	610	8.2
Total comprehensive income for the period	6,681	13,882	

Balance Sheets as at 30 June 2009

DESCRIPTION	Note	Group		Company	
		30-Jun-09	31-Mar-09	30-Jun-09	31-Mar-09
		S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets					
Property, plant and equipment	1	126,404	128,418	11	13
Intangible assets		2,038	2,038	-	-
Investments in:					
- subsidiaries		-	-	57,529	57,347
- associates		-	-	-	-
Quoted shares, available-for-sale		-	2	-	-
Lease prepayment		-	-	-	-
Trade and other receivables		19,560	18,815	-	-
Other non-current assets		49	49	-	-
		148,051	149,322	57,540	57,360
Current assets					
Inventories	2	27,011	26,330	-	-
Land held for development and sale		10,730	10,995	-	-
Trade and other receivables		153,107	178,350	38,158	38,701
Cash and cash equivalents		37,089	29,887	4,454	4,210
		227,937	245,562	42,612	42,911
Total assets		375,988	394,884	100,152	100,271

Balance Sheets as at 30 June 2009 (cont'd)

DESCRIPTION	Note	Group		Company	
		30-Jun-09	31-Mar-09	30-Jun-09	31-Mar-09
		S\$'000	S\$'000	S\$'000	S\$'000
Equity attributable to equity holders of the Company					
Share capital		64,526	64,378	64,526	64,378
Reserves		104,183	97,660	23,763	23,476
		168,709	162,038	88,289	87,854
Minority interests		7,513	6,853	-	-
Total equity		176,222	168,891	88,289	87,854
Non-current liabilities					
Financial liabilities		36,369	40,699	2,767	5,083
Deferred tax liabilities		3,535	3,529	-	-
		39,904	44,228	2,767	5,083
Current liabilities					
Financial liabilities		30,912	31,987	3,012	2,973
Trade and other payables		102,021	125,476	6,084	4,361
Excess of progress billings over construction work-in-progress	3	15,702	12,234	-	-
Current tax payable		11,227	12,068	-	-
		159,862	181,765	9,096	7,334
Total liabilities		199,766	225,993	11,863	12,417
Total equity and liabilities		375,988	394,884	100,152	100,271

Consolidated Statement of Cash Flows for the 3 months ended 30 June 2009

	3 months ended	
	<u>30-Jun-09</u>	<u>30-Jun-08</u>
	S\$'000	S\$'000
Operating activities		
Profit for the period	6,681	14,163
Adjustments for:		
Allowances (reversed)/made for:		
- foreseeable losses on construction work-in-progress	(81)	254
- foreseeable losses on land held for sale	265	-
Amortisation of:		
- intangible assets	-	59
- lease prepayment	-	63
Depreciation of property, plant and equipment	5,147	4,657
Impairment losses (reversed)/recognised on:		
- investment in and balance with an associate	(93)	80
- property, plant and equipment	(125)	1,072
- trade, progress billing and other receivables	(921)	858
Inventories written off	2	-
Gain on disposal of:		
- an associate	-	(116)
- property, plant and equipment	(50)	(389)
Net finance expenses	1,137	1,346
Property, plant and equipment written off	-	55
Share of loss of associates	33	40
Share option expense	555	593
Income tax expense	1,640	3,616
	14,190	26,351
Changes in working capital:		
Inventories	105	(6,192)
Trade, progress billing and other receivables	28,939	(18,165)
Trade and other payables	(23,371)	11,959
Cash generated from operations	19,863	13,953
Income taxes paid	(2,498)	(1,850)
Interest received	5	20
Cash flows from operating activities	17,370	12,123

**Consolidated Statement of Cash Flows for the 3 months ended 30 June 2009
(cont'd)**

	3 months ended	
	<u>30-Jun-09</u>	<u>30-Jun-08</u>
	S\$'000	S\$'000
Investing activities		
Purchase of property, plant and equipment	(1,585)	(13,766)
Proceeds from disposal of:		
- interest in an associate	-	116
- property, plant and equipment	83	1,213
- quoted shares, available-for-sale	5	-
Acquisition of subsidiaries, net of cash acquired	-	(2,634)
Increase in non-trade amount owing by associates	(9)	(129)
Cash flows from investing activities	<u>(1,506)</u>	<u>(15,200)</u>
Financing activities		
Interest paid	(1,018)	(1,176)
Proceeds from:		
- bank loans	3,000	757
- issue of shares under share option scheme	95	2,900
Repayment of:		
- bank loans	(2,573)	(4,853)
- finance lease liabilities	(6,563)	(4,452)
Decrease/(increase) in fixed deposits pledged	131	(228)
Cash flows from financing activities	<u>(6,928)</u>	<u>(7,052)</u>
Net increase/(decrease) in cash and cash equivalents	8,936	(10,129)
Cash and cash equivalents at beginning of the period	25,749	20,188
Effect of exchange rate changes on balances held in foreign currencies	(11)	1
Cash and cash equivalents at end of the period	<u>34,674</u>	<u>10,060</u>
Comprising:		
Cash and cash equivalents	37,089	19,924
Bank overdrafts	(2,317)	(9,636)
	<u>34,772</u>	<u>10,288</u>
Less:		
Fixed deposits pledged as security for bank facilities	(98)	(228)
Cash and cash equivalents in the consolidated cash flow statement	<u>34,674</u>	<u>10,060</u>

Statement of Changes in Equity for the 3 months ended 30 June 2009

<u>Group</u>	Share capital	Capital reserve	Reserve for own shares	Reserve on consolidation	Fair value reserve	Share option reserve	Currency translation reserve	Other reserve	Accumulated profits	Total attributable to equity holders of the Company	Minority interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 April 2008	58,057	17,798	-	116	-	3,056	(107)	125	50,349	129,394	4,070	133,464
Total comprehensive (expense)/income for the period	-	-	-	-	-	-	(281)	-	13,553	13,272	610	13,882
Issue of shares under share option scheme	4,536	-	-	-	-	(1,636)	-	-	-	2,900	-	2,900
Value of employee services received for issue of share options	-	-	-	-	-	593	-	-	-	593	-	593
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	646	646
At 30 June 2008	62,593	17,798	-	116	-	2,013	(388)	125	63,902	146,159	5,326	151,485
At 1 April 2009	64,378	17,798	(151)	116	(10)	3,569	(647)	-	76,985	162,038	6,853	168,891
Total comprehensive income/(expense) for the period	-	-	-	-	10	-	(5)	-	6,016	6,021	660	6,681
Issue of shares under share option scheme	148	-	-	-	-	(53)	-	-	-	95	-	95
Value of employee services received for issue of share options	-	-	-	-	-	555	-	-	-	555	-	555
At 30 June 2009	64,526	17,798	(151)	116	-	4,071	(652)	-	83,001	168,709	7,513	176,222

Statement of Changes in Equity for the 3 months ended 30 June 2009 (cont'd)

<u>Company</u>	Share capital	Capital reserve	Reserve for own shares	Share option reserve	Other reserve	Accumulated profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 April 2008	58,057	17,798	-	3,056	125	1,206	80,242
Total comprehensive income for the period	-	-	-	-	-	145	145
Issue of shares under share option scheme	4,536	-	-	(1,636)	-	-	2,900
Value of employee services received for issue of share options	-	-	-	593	-	-	593
At 30 June 2008	62,593	17,798	-	2,013	125	1,351	83,880
At 1 April 2009	64,378	17,798	(151)	3,569	-	2,260	87,854
Total comprehensive expense for the period	-	-	-	-	-	(215)	(215)
Issue of shares under share option scheme	148	-	-	(53)	-	-	95
Value of employee services received for issue of share options	-	-	-	555	-	-	555
At 30 June 2009	64,526	17,798	(151)	4,071	-	2,045	88,289

Note:

Capital reserve

	<u>Group</u>	<u>Company</u>
	S\$'000	S\$'000
Capital Reduction Reserve	17,798	17,798

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

Notes to the Financial Statements

Notes to the Consolidated Income Statement

The Group is reporting its first quarter results for the period from 1 April 2009 to 30 June 2009 ("1Q10") with comparative figures for the 3 months period from 1 April 2008 to 30 June 2008 ("1Q09").

A Cost of sales

Group	
3 months ended	
30/06/2009	30/06/2008
S\$'000	S\$'000

Cost of sales includes the following items:

Allowances (reversed)/made for:

- foreseeable losses on construction work-in-progress	(81)	254
- foreseeable losses on land held for sale	265	-
Depreciation of property, plant and equipment	4,929	4,299
Impairment losses (reversed)/recognised on property, plant and equipment ⁽¹⁾	(125)	1,072
Inventories written off	2	-

⁽¹⁾ The impairment losses arose from differences in the recoverable value and carrying value of certain plant and machineries. The impairment losses do not have any impact on the operations of the Group.

B Other income

Group	
3 months ended	
30/06/2009	30/06/2008
S\$'000	S\$'000

Other income includes the following items:

Gain on disposal of:

- an associate ⁽²⁾	-	116
- property, plant and equipment	50	389

⁽²⁾ In May 2008, the Group entered into a sale and purchase agreement with a third party to dispose of its 33% equity interest in its associate for a consideration of S\$116,000, giving rise to a gain on disposal of S\$116,000.

Notes to the Consolidated Income Statement (cont'd)

C Other operating expenses

	Group 3 months ended	
	30/06/2009	30/06/2008
	S\$'000	S\$'000
Other operating expenses includes the following items:		
Amortisation of:		
- intangible assets ⁽³⁾	-	59
- lease prepayment	-	63
Bad debts written off	59	-
Depreciation of property, plant and equipment	218	358
Exchange loss	134	43
Impairment losses (reversed)/recognised on:		
- investment in and balance with an associate	(93)	80
- trade, progress billing and other receivables ⁽⁴⁾	(921)	858
Property, plant and equipment written off	-	55
Share option expense	555	593

⁽³⁾ Intangible asset of S\$235,000 arose from the acquisition of a subsidiary in April 2008. The intangible asset was amortised to the Consolidated Income Statement over its estimated useful life of 12 months.

⁽⁴⁾ Management reviews the Group's accounts receivables position on a periodic basis. Impairment losses are made after assessing the probability of recovering the accounts receivables. These impairment losses do not relate to any major customers and there are no further outstanding balances which have not been impaired. Amounts written back are cash recovered from receivables previously impaired.

D Finance income and expense

Included in the Group's finance income and expense for 1Q10 was gain on disposal of and impairment loss on quoted shares, available-for-sale, of S\$3,000 and S\$10,000 respectively. Quoted shares were issued to the Group as a result of settlements of debts owing from customers in previous years.

E Income tax expense

	Group 3 months ended	
	30/06/2009	30/06/2008
	S\$'000	S\$'000
Current tax expense		
- current period	1,657	3,564
- under provided in prior years	-	949
	<u>1,657</u>	<u>4,513</u>
Deferred tax income		
- current period	(17)	(316)
- over provided in prior years	-	(581)
	<u>(17)</u>	<u>(897)</u>
	<u>1,640</u>	<u>3,616</u>

Notes to the Consolidated Income Statement (cont'd)

F Interested person transactions

Interested person transactions carried out during the 3 months ended 30 June 2009 under Chapter 9 of the Listing Manual are as follows:-

Name of interested person	Aggregate value of all interested person transactions during the period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
CMC Construction Pte Ltd ⁽¹⁾	NIL	S\$443,000

Note:

⁽¹⁾ CMC Construction Pte Ltd is a related corporation of TH Investments Pte Ltd, a substantial shareholder of the Company.

Notes to the Balance Sheets

1 Property, plant and equipment

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

	Group	
	As at 30/06/2009 S\$'000	As at 31/03/2009 S\$'000
<u>Cost</u>		
Opening balance	190,744	139,956
Additions	3,132	53,891
Assets acquired through business combinations	-	2,000
Disposal of a subsidiary	-	(110)
Disposals/Write-offs	(4,843)	(4,462)
Translation differences on consolidation	(125)	(531)
Closing balance	<u>188,908</u>	<u>190,744</u>
<u>Accumulated depreciation and impairment losses</u>		
Opening balance	62,326	37,544
Additions	5,022	27,090
Disposal of a subsidiary	-	(86)
Disposals/Write-offs	(4,810)	(2,168)
Translation differences on consolidation	(34)	(54)
Closing balance	<u>62,504</u>	<u>62,326</u>
Carrying amount	<u>126,404</u>	<u>128,418</u>

2 Inventories

	Group	
	As at 30/06/2009 S\$'000	As at 31/03/2009 S\$'000
Equipment and machinery held for sale	19,236	19,235
Spare parts	2,670	2,500
Materials on sites	5,360	4,850
	<u>27,266</u>	<u>26,585</u>
Allowance for inventory obsolescence	(255)	(255)
	<u>27,011</u>	<u>26,330</u>

3 Excess of progress billings over construction work-in-progress

	Group	
	As at 30/06/2009 S\$'000	As at 31/03/2009 S\$'000
Cost incurred and attributable profit	1,051,441	1,035,197
Allowance for foreseeable losses	(1,545)	(1,676)
	<u>1,049,896</u>	<u>1,033,521</u>
Progress billings	(1,065,598)	(1,045,755)
	<u>(15,702)</u>	<u>(12,234)</u>

Notes to the Balance Sheets (cont'd)

4 Aggregate amount of Group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30/06/2009	
Secured	Unsecured
S\$'000	S\$'000
37,697	-

As at 31/03/2009	
Secured	Unsecured
S\$'000	S\$'000
41,430	-

Amount repayable after one year

As at 30/06/2009	
Secured	Unsecured
S\$'000	S\$'000
36,369	-

As at 31/03/2009	
Secured	Unsecured
S\$'000	S\$'000
40,699	-

Details of any collateral

The Group's total secured borrowings amounted to S\$74.1 million (31 March 2009: S\$82.1 million) and consist of finance leases and loans and borrowings. Included in the secured borrowings repayable within one year were bills payable amounted to S\$6.8 million (31 March 2009: S\$9.4 million).

The overdrafts, bills payable, finance lease liabilities and bank loan facilities are secured by legal mortgages over the Group's assets listed below and corporate guarantees by the Company and a related corporation:

- a) Property, plant and machinery;
- b) Fixed and floating charges on assets of a subsidiary; and
- c) Fixed deposits of a subsidiary.

Notes to the Statement of Changes in Equity

1 Changes in the Company's Share Capital

As at 30 June 2009, the issued and fully paid-up share capital of the Company was S\$64,526,042 (31 March 2009: S\$64,378,246). Movement in the Company's issued and fully paid-up share capital during the 3 months ended 30 June 2009 was as follows:

	Number of shares	S\$'000
As at 1 April 2009	1,225,243,725	64,378
Issue of shares under CSC Executive Share Option Scheme 2004	1,000,000	148
As at 30 June 2009	<u>1,226,243,725</u>	<u>64,526</u>

As at 30 June 2009, the Company held 1,900,000 (31 March 2009: 1,900,000) of its own uncancelled shares. There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the 3 months ended 30 June 2009.

The total number of ordinary shares issued (excluding treasury shares) as at 30 June 2009 was 1,224,343,725 (31 March 2009: 1,223,343,725) ordinary shares.

As at 30 June 2009, there were outstanding share options for conversion into 90,730,000 (31 March 2009: 93,379,000) ordinary shares under the CSC Executive Share Option Scheme 2004.

As at 30 June 2009, there were no outstanding Convertible Notes for conversion into ordinary shares (30 June 2008: 35,472,837 ordinary shares).

Audit

The Group's figures have not been audited or reviewed by the Company's auditors.

Accounting Policies

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 March 2009, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial periods beginning on or after 1 April 2009.

The adoption of the new and revised FRS has no material impact on the Group's financial position or results.

Earnings Per Share

(a) Basic earnings per ordinary share

	3 months ended	
	30/06/2009	30/06/2008
Based on the weighted average number of ordinary shares on issue	0.49 cents	1.16 cents
	3 months ended	
	30/06/2009	30/06/2008
	S\$'000	S\$'000
Basic earnings per ordinary share is based on:		
Net profit attributable to ordinary shareholders	6,016	13,553
	3 months ended	
	30/06/2009	30/06/2008
	Number of shares	
Weighted average number of:		
Issued ordinary shares at beginning of the period	1,225,243,725	1,147,864,781
Ordinary shares issued arising from exercise of share options	285,714	15,622,637
Ordinary shares held as treasury shares	(1,900,000)	-
Weighted average number of ordinary shares used to compute earnings per ordinary share	1,223,629,439	1,163,487,418

(b) Diluted earnings per ordinary share

	3 months ended	
	30/06/2009	30/06/2008
On a fully diluted basis	0.49 cents	1.13 cents
	3 months ended	
	30/06/2009	30/06/2008
	S\$'000	S\$'000
Diluted earnings per ordinary share is based on:		
Net profit attributable to ordinary shareholders	6,016	13,553
Imputed interest on convertible notes, net of tax effect	-	20
Net profit attributable to ordinary shareholders, adjusted for the effect of conversion of convertible notes	6,016	13,573

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

Earnings Per Share (cont'd)

The effect of the exercise of share options and convertible notes on the weighted average number of ordinary shares in issue is as follows:-

	3 months ended	
	30/06/2009	30/06/2008
	Number of shares	
Weighted average number of: Ordinary shares used in the calculation of basic earnings per ordinary share	1,223,629,439	1,163,487,418
Potential ordinary shares issuable under exercise of share options	2,334,607	5,255,616
Potential ordinary shares issuable under conversion of convertible notes	-	35,472,837
Weighted average number of ordinary issued and potential shares assuming full conversion	1,225,964,046	1,204,215,871

Net Asset Value

	As at 30/06/2009	As at 31/03/2009
Group Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of the period reported on	14.4 cents	13.8 cents
Company Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of the period reported on	7.2 cents	7.2 cents

The net asset value per ordinary share is calculated based on net asset value over the total number of ordinary shares issued (excluding treasury shares) as at 30 June 2009 of 1,224,343,725 (31 March 2009: 1,223,343,725) ordinary shares.

Dividend

No dividend has been declared/recommended in the current financial period and the corresponding period of the immediately preceding financial year.

Confirmation

The directors of the Company confirm that to the best of their knowledge, nothing has come to their attention which may render the financial results for the period under review to be false or misleading in any material respect.

By Order of the Board

**Lee Quang Loong
Company Secretary
4 August 2009**