



CSC HOLDINGS LIMITED

(Company Registration Number: 199707845E)

Financial Statements Announcement
for the First Quarter Ended 30 June 2010

Table of Contents

Page

REVIEW OF THE PERFORMANCE OF THE GROUP	3
CONSOLIDATED INCOME STATEMENT	3
BALANCE SHEETS.....	5
CASH FLOW.....	6
OUTLOOK	7
CONSOLIDATED INCOME STATEMENT FOR THE 3 MONTHS ENDED 30 JUNE 2010	8
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE 3 MONTHS ENDED 30 JUNE 2010	9
BALANCE SHEETS AS AT 30 JUNE 2010	10
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 3 MONTHS ENDED 30 JUNE 2010	12
STATEMENTS OF CHANGES IN EQUITY FOR THE 3 MONTHS ENDED 30 JUNE 2010	14
NOTES TO THE FINANCIAL STATEMENTS	16
NOTES TO THE CONSOLIDATED INCOME STATEMENT	16
A <i>Cost of sales</i>	16
B <i>Other income</i>	16
C <i>Other operating expenses</i>	17
D <i>Finance income and expense</i>	17
E <i>Income tax expense</i>	17
F <i>Interested person transactions</i>	18
NOTES TO THE BALANCE SHEETS.....	19
1 <i>Property, plant and equipment</i>	19
2 <i>Inventories</i>	19
3 <i>Excess of progress billings over construction work-in-progress</i>	19
4 <i>Aggregate amount of Group's borrowings and debt securities</i>	20
NOTES TO THE STATEMENT OF CHANGES IN EQUITY.....	21
1 <i>Changes in the Company's Share Capital</i>	21
AUDIT	21
ACCOUNTING POLICIES	21
EARNINGS PER SHARE	22
NET ASSET VALUE	23
DIVIDEND	23
CONFIRMATION	23

Review of the Performance of the Group

CONSOLIDATED INCOME STATEMENT

1Q11 – for the 3 months ended 30 June 2010

4Q10 – for the 3 months ended 31 March 2010

1Q10 – for the 3 months ended 30 June 2009

Review of Results for the First Quarter Ended 30 June 2010

	1Q11 \$'000	4Q10 \$'000	Change %	1Q11 \$'000	1Q10 \$'000	Change %
Revenue	77,677	61,066	27.2	77,677	81,358	(4.5)
Gross Profit	9,307	6,480	43.6	9,307	15,119	(38.4)
Other Income	1,105	318	247.5	1,105	324	241.0
Operating Expenses	(5,192)	(2,119)	145.0	(5,192)	(5,952)	(12.8)
Net Finance Expenses	(771)	(509)	51.5	(771)	(1,137)	(32.2)
Profit before Income Tax	5,097	5,518	(7.6)	5,097	8,321	(38.7)
Profit for the period	4,149	6,238	(33.5)	4,149	6,681	(37.9)

Revenue

Revenue for 1Q11 registered a sequential 27.2% improvement to \$77.7 million from 4Q10. The increase in revenue was mainly due to the commencement of several sizeable foundation projects secured in the quarter under review. A revenue contribution of \$3.6 million from the Group's industrial project at Tuas was also recorded in 1Q11.

Compared to the corresponding period a year ago ("1Q10"), revenue for 1Q11 registered a marginal decline of 4.5%.

Gross Profit

Intense competition in the industry over the past financial year has placed contracts prices under downward pressure, and resulted in many projects being carried out at lower profit margins. As a result, gross margin declined to 12.0% as compared to 18.6% in 1Q10. Nevertheless, as a result of tight cost controls, the Group managed to achieve a 43.6% sequential improvement in gross profit of \$9.3 million, from \$6.5 million for 4Q10, and a corresponding 12.9% increase in gross margin to 12.0% (4Q10: 10.6%).

Other Income

Other income of \$1.1 million for 1Q11 included a \$0.2 million gain from the disposal of an office premise in April 2010. This compares to the loss of \$0.4 million incurred from the disposal of older equipment in 4Q10. In addition, the Group registered rental income of \$0.3 million, from equipment and machinery rented out to third parties in 1Q11 (4Q10: \$0.1 million).

Compared to 1Q10, other income for 1Q11 registered an increase from \$0.3 million to \$1.1 million.

Operating Expenses

	1Q11 \$'000	4Q10 \$'000	Change %	1Q11 \$'000	1Q10 \$'000	Change %
Other Operating Expenses	5,328	4,278	24.5	5,328	5,911	(9.9)
Impairment Losses Reversed on Investment in and Balance with An Associate	-	(1,587)	(100.0)	-	(93)	(100.0)
Exchange (Gain)/Loss	(136)	(572)	(76.2)	(136)	134	(201.5)
	5,192	2,119	145.0	5,192	5,952	(12.8)

Operating Expenses/Revenue (Excluding Exchange Gain/ Loss and Impairment Loss Reversed)

6.9% 7.0% 6.9% 7.3%

Administrative, Distribution and Other Operating Expenses ("Operating Expenses") in 1Q11 were sequentially higher at \$5.2 million (4Q10: \$2.1 million). Excluding the reversal of impairment loss of \$1.6 million and an exchange gain of \$0.6 million recorded in 4Q10, 1Q11 operating expenses rose 24.5% sequentially. The increase came about as the Group strengthened its work force and other resources in preparation for projects expected to come on stream in the coming quarters.

Operating Expenses to Revenue Ratio in 1Q11 was 5.6% lower than that incurred in 1Q10. Operating Expenses to Revenue Ratio was 6.9% in 1Q11 (1Q10: 7.3%).

Net Finance Expenses

	1Q11 \$'000	4Q10 \$'000	Change %	1Q11 \$'000	1Q10 \$'000	Change %
Interest Income	19	7	171.4	19	8	137.5
Interest Expenses	(876)	(923)	(5.1)	(876)	(1,014)	(13.6)
Imputed Interest on Non- Current Retention Sums	86	407	(78.9)	86	(131)	(165.6)
	(771)	(509)	51.5	(771)	(1,137)	(32.2)

The Group recorded Net Finance Expenses of \$0.8 million of which \$0.1 million relates to a net accounting gain as the Group's non-current retention sums were stated at amortised cost in accordance with FRS 39 Financial Instruments: Recognition and Measurement.

Save for the net accounting gain or loss, interest cost was relatively unchanged from 4Q10. Compared to 1Q10, interest cost declined 13.6% due to lower average debt levels during the current period.

Share of Profit/(Loss) of Associates

Our associated company which specialises in the manufacture and trading of pre-cast concrete products for the construction industry continued to be profitable and contributed \$0.6 million to the Group's results for the quarter under review.

Profit After Tax

Taking into consideration the factors above, Net Profit After Tax and Earnings Per Share for 1Q11 was \$4.1 million (4Q10: \$6.2 million, 1Q10: \$6.7 million) and 0.27 cents respectively (4Q10: 0.47 cents per share, 1Q10: 0.49 cents per share).

BALANCE SHEETS

Property, Plant and Equipment

As at 30 June 2010, property, plant and equipment for the Group stood at \$130.7 million (31 March 2010: \$126.1 million), after taking into consideration an investment of about \$10.5 million in additional ground engineering equipment capable of boring through very hard ground and rock, along with a depreciation charge of \$5.7 million and a \$0.3 million disposal of older equipment.

Non-current Trade and Other Receivables

Non-current trade and other receivables amounted to \$7.9 million as at 30 June 2010 (31 March 2010: \$15.0 million). These were mainly retention sums, due for collection 12 months after the balance sheet date. As at 30 June 2010, some of these have been reclassified to current assets as these have become due and payable within 12 months.

Net Current Assets

Net current assets increased to \$82.6 million (31 March 2010: \$73.4 million). The current ratio (current assets / current liabilities) was 1.55 as at 30 June 2010 (31 March 2010: 1.52).

As at 30 June 2010, Group inventories amounted to \$26.4 million, up slightly from \$23.8 million.

Development properties declined to \$9.7 million (31 March 2010: \$12.4 million) due to recognition of development costs to income statement, which is in line with the revenue recognised from the Group's industrial project in 1Q11.

Trade and other receivables increased to \$169.0 million (31 March 2010: \$146.3 million) due to the higher volume of business activity in the quarter.

Trade payables and accruals amounting to \$103.2 million (31 March 2010: \$94.3 million) also increased in tandem with increased business activity in 1Q11.

Borrowings

The Group's total borrowings remained relatively unchanged at \$75.7 million (31 March 2010: \$72.3 million). The Debt Equity Ratio of the Group was 0.39 (31 March 2010: 0.38).

During 1Q11, the Group drew down \$2.5 million and \$6.8 million of term loans and hire purchase loans respectively, for working capital purpose and to finance the acquisition of equipment. Repayment of term loans and hire purchase obligations in 1Q11 amounted to \$2.3 million and \$6.6 million respectively.

Equity and Net Asset Value

As at 30 June 2010, total equity increased to \$194.1 million (31 March 2010: \$189.8 million) arising mainly from the accumulation of profit for 1Q11. Group retained earnings increased to \$98.1 million as at 30 June 2010, from \$94.8 million as at 31 March 2010.

As at 30 June 2010, Net Asset Value per ordinary share was 15.9 cents (31 March 2010: 15.5 cents).

CASH FLOW

	1Q11 \$'000	4Q10 \$'000	Change %	1Q11 \$'000	1Q10 \$'000	Change %
Cash Flow from Operating Activities	5,555	10,404	(46.61)	5,555	17,370	(68.02)
Cash Flow from Investing Activities	(2,011)	(4,389)	(54.18)	(2,011)	(1,506)	33.53
Cash Flow from Financing Activities	(7,341)	(9,107)	(19.39)	(7,341)	(6,928)	5.96
Cash and Cash Equivalents	19,599	27,139	(27.78)	19,599	34,674	(43.48)

Cash and cash equivalents as at 30 June 2010 was \$19.6 million (31 March 2010: \$27.1 million). The decrease was mainly due to repayment of loans in 1Q11, investments made to acquire additional ground engineering equipment and increase in fixed deposits pledged.

Cash Flow from Operating Activities

Trade receivables as at 30 June 2010 were significantly higher on the back of an increased number of projects secured during the quarter. This however, resulted in a decline in operating cash inflow to \$5.6 million, from \$10.4 million as at 31 March 2010.

Cash Flow from Investing Activities

Net cash outflow from investing activities for 1Q11 was \$2.0 million (4Q10: \$4.4 million). The net cash outflow was a result of a \$10.5 million expenditure, for the acquisition of ground engineering equipment. Cashflow net of hire purchase loans obtained for such acquisitions amounted to \$3.9 million. The cash outflow for the acquisition of equipment was partially offset by proceeds received from the disposal of some old steel fabrication equipment and office premise amounting to \$1.4 million.

Cash Flow from Financing Activities

Net cash outflow from financing activities amounted to \$7.3 million (4Q10: \$9.1 million) in 1Q11. The Group drew down some \$2.5 million of term loans while repaying approximately \$2.3 million of loans and \$6.6 million in hire purchase loans.

Outlook

Despite cool demand from January to May 2010, the Building and Construction Authority of Singapore has retained its full-year construction demand forecast of \$21 billion to \$27 billion, as preliminary June figures and projects in the pipeline, particularly in the public sector, paint a robust picture of the industry.

According to the BCA, another \$10 billion to \$16 billion worth of contracts are likely to be awarded in the second half of 2010. Key projects include, Stage 3 of the MRT Downtown Line, public residential projects, the widening of the Keppel Viaduct and conversion of the former Supreme Court and City Hall to the National Art Gallery, as well as various private residential developments.

Nevertheless, lingering uncertainties such as the sovereign debt crisis in Europe and sluggish economic conditions in the US may have ripple effects on the economies in which the Group operates. In view of this, the Group will continue to exercise prudence in its cash and project management to ensure that it will be able to withstand any adverse change in operating conditions.

The Group recently secured several projects worth over \$50 million in Singapore and abroad. Amongst these was a piling contract for the former Farrer Court condominium site, being redeveloped by a CapitaLand-led consortium following its en-bloc acquisition in 2007, as well as a driven pile foundation contract for Lanxess's synthetic rubber plant on Jurong Island. Beyond Singapore, the contracts secured include foundation works for a solar wafer manufacturing plant in Kuching, Sarawak, and other foundation contracts for commercial developments in Kuala Lumpur and Petaling Jaya.

With these new foundation contracts secured, the Group's order book is approximately \$180 million as at 3 August 2010 (3 May 2010: \$170 million).

The Group will continue to focus on its core competencies while strengthening its regional presence. The Board of Directors expects the Group's performance for 2Q11 to improve and to remain profitable for the financial year ending 31 March 2011.

Consolidated Income Statement for the 3 Months ended 30 June 2010

	Note	Group		Change
		3 months ended		
		30-Jun-10	30-Jun-09	
		S\$'000	S\$'000	%
Revenue		77,677	81,358	(4.5)
Cost of sales	A	(68,370)	(66,239)	3.2
Gross profit		9,307	15,119	(38.4)
Other income	B	1,105	324	241.0
Distribution expenses		(115)	(13)	784.6
Administrative expenses		(225)	(250)	(10.0)
Other operating expenses	C	(4,852)	(5,689)	(14.7)
Results from operating activities		5,220	9,491	(45.0)
Finance income		105	8	1,212.5
Finance expenses		(876)	(1,145)	(23.5)
Net finance expenses	D	(771)	(1,137)	(32.2)
Share of profit/(loss) of associates		648	(33)	N.M.
Profit before income tax		5,097	8,321	(38.7)
Income tax expense	E	(948)	(1,640)	(42.2)
Profit for the period		4,149	6,681	(37.9)
Attributable to:				
Owners of the Company		3,294	6,016	(45.2)
Non-controlling interests		855	665	28.6
Profit for the period		4,149	6,681	

N.M. - Not Meaningful

Gross profit margin	12.0%	18.6%
Net profit margin	5.3%	8.2%

Consolidated Statement of Comprehensive Income for the 3 Months ended 30 June 2010

	Group		Change
	3 months ended		
	30-Jun-10	30-Jun-09	
	S\$'000	S\$'000	%
Profit for the period	4,149	6,681	(37.9)
Other comprehensive income/(expense)			
Translation differences relating to financial statements of foreign subsidiaries and associates	45	(10)	(550.0)
Fair value of available-for-sale financial assets transferred to income statement upon disposal	-	10	N.A.
Other comprehensive income for the period, net of tax	45	-	N.A.
Total comprehensive income for the period	4,194	6,681	(37.2)
Attributable to:			
Owners of the Company	3,340	6,021	(44.5)
Non-controlling interests	854	660	29.4
Total comprehensive income for the period	4,194	6,681	

Balance Sheets as at 30 June 2010

DESCRIPTION	Note	Group		Company	
		30-Jun-10	31-Mar-10	30-Jun-10	31-Mar-10
		S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets					
Property, plant and equipment	1	130,732	126,096	6	8
Intangible assets		3,025	3,021	-	-
Investments in:					
- subsidiaries		-	-	62,791	62,821
- associates		3,589	4,541	2,842	3,322
Trade and other receivables		7,860	14,954	-	-
Other non-current assets		49	49	-	-
Deferred tax asset		-	-	27	27
		145,255	148,661	65,666	66,178
Current assets					
Inventories	2	26,356	23,758	-	-
Development properties		9,684	12,431	-	-
Assets classified as held for sale	1	-	593	-	-
Trade and other receivables		168,967	146,254	51,783	47,303
Cash and cash equivalents		28,341	31,944	6,282	6,503
		233,348	214,980	58,065	53,806
Total assets		378,603	363,641	123,731	119,984

Balance Sheets as at 30 June 2010 (cont'd)

DESCRIPTION	Note	Group		Company	
		30-Jun-10	31-Mar-10	30-Jun-10	31-Mar-10
		S\$'000	S\$'000	S\$'000	S\$'000
Equity attributable to owners of the Company					
Share capital		64,633	64,526	64,633	64,526
Reserves		119,381	116,028	50,775	50,716
		184,014	180,554	115,408	115,242
Non-controlling interests		10,100	9,246	-	-
Total equity		194,114	189,800	115,408	115,242
Non-current liabilities					
Financial liabilities		27,745	26,138	-	-
Deferred tax liabilities		5,982	6,144	-	-
		33,727	32,282	-	-
Current liabilities					
Financial liabilities		33,240	34,103	1,870	2,792
Trade and other payables		103,222	94,342	6,429	1,944
Excess of progress billings over construction work-in-progress	3	11,170	10,828	-	-
Current tax payable		3,130	2,286	24	6
		150,762	141,559	8,323	4,742
Total liabilities		184,489	173,841	8,323	4,742
Total equity and liabilities		378,603	363,641	123,731	119,984

Consolidated Statement of Cash Flows for the 3 Months ended 30 June 2010

	3 months ended	
	<u>30-Jun-10</u>	<u>30-Jun-09</u>
	S\$'000	S\$'000
Operating activities		
Profit for the period	4,149	6,681
Adjustments for:		
Allowances (reversed)/made for:		
- foreseeable losses on construction work-in-progress	-	(81)
- foreseeable losses on land held for sale	-	265
Depreciation of property, plant and equipment	5,695	5,147
Impairment losses reversed on:		
- property, plant and equipment	(1)	(125)
- investment in and balance with an associate	-	(93)
- trade, progress billing and other receivables	(532)	(921)
Inventories written back	(341)	-
Inventories written off	-	2
Gain on disposal of property, plant and equipment	(230)	(50)
Net finance expenses	771	1,137
Property, plant and equipment written off	43	-
Share of (profit)/loss of associates	(648)	33
Share option expense	90	555
Income tax expense	948	1,640
	9,944	14,190
Changes in working capital:		
Inventories	(2,062)	105
Development properties	2,746	-
Trade, progress billing and other receivables	(13,876)	28,939
Trade and other payables	9,107	(23,371)
Cash generated from operations	5,859	19,863
Income taxes paid	(323)	(2,498)
Interest received	19	5
Cash flows from operating activities	5,555	17,370

**Consolidated Statement of Cash Flows for the 3 Months ended 30 June 2010
(cont'd)**

	3 months ended	
	<u>30-Jun-10</u>	<u>30-Jun-09</u>
	S\$'000	S\$'000
Investing activities		
Purchase of property, plant and equipment	(3,905)	(1,585)
Proceeds from disposal of:		
- property, plant and equipment	1,423	83
- quoted shares, available-for-sale	-	5
Decrease/(increase) in non-trade amount owing by associates	471	(9)
Cash flows from investing activities	<u>(2,011)</u>	<u>(1,506)</u>
Financing activities		
Interest paid	(884)	(1,018)
Proceeds from:		
- bank loans	2,463	3,000
- issue of shares under share option scheme	68	95
Purchase of treasury shares	(38)	-
Repayment of:		
- bank loans	(2,348)	(2,573)
- finance lease liabilities	(6,602)	(6,563)
(Increase)/decrease in fixed deposits pledged	(3,500)	131
Cash flows from financing activities	<u>(10,841)</u>	<u>(6,928)</u>
Net (decrease)/increase in cash and cash equivalents	(7,297)	8,936
Cash and cash equivalents at beginning of the period	27,139	25,749
Effect of exchange rate changes on balances held in foreign currencies	(243)	(11)
Cash and cash equivalents at end of the period	<u>19,599</u>	<u>34,674</u>
Comprising:		
Cash and cash equivalents	28,341	37,089
Bank overdrafts	(5,144)	(2,317)
	<u>23,197</u>	<u>34,772</u>
Less:		
Fixed deposits pledged as security for bank facilities	(3,598)	(98)
Cash and cash equivalents in the consolidated cash flow statement	<u>19,599</u>	<u>34,674</u>

Statements of Changes in Equity for the 3 Months ended 30 June 2010

<u>Group</u>	Share capital	Capital reserve	Reserve for own shares	Reserve on consolidation	Fair value reserve	Share option reserve	Currency translation reserve	Accumulated profits	Total attributable to owners of the Company	Non-controlling 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
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 for the period											
Profit or loss	-	-	-	-	-	-	-	6,016	6,016	665	6,681
Other comprehensive income/(expense)											
Translation differences relating to financial statements of foreign subsidiaries and associates	-	-	-	-	-	-	(5)	-	(5)	(5)	(10)
Fair value of available-for-sale financial assets transferred to income statement upon disposal	-	-	-	-	10	-	-	-	10	-	10
Total other comprehensive income/(expense)	-	-	-	-	10	-	(5)	-	5	(5)	-
Total comprehensive income for the period	-	-	-	-	10	-	(5)	6,016	6,021	660	6,681
Transactions with owners, recorded directly in equity											
Issue of shares under share option scheme	148	-	-	-	-	(53)	-	-	95	-	95
Value of employee services received for issue of share options	-	-	-	-	-	555	-	-	555	-	555
Total transactions with owners	148	-	-	-	-	502	-	-	650	-	650
At 30 June 2009	64,526	17,798	(151)	116	-	4,071	(652)	83,001	168,709	7,513	176,222
At 1 April 2010	64,526	17,798	(292)	116	-	3,852	(224)	94,778	180,554	9,246	189,800
Total comprehensive income for the period											
Profit or loss	-	-	-	-	-	-	-	3,294	3,294	855	4,149
Other comprehensive income/(expense)											
Translation differences relating to financial statements of foreign subsidiaries and associates	-	-	-	-	-	-	46	-	46	(1)	45
Total other comprehensive income/(expense)	-	-	-	-	-	-	46	-	46	(1)	45
Total comprehensive income for the period	-	-	-	-	-	-	46	3,294	3,340	854	4,194
Transactions with owners, recorded directly in equity											
Issue of shares under share option scheme	107	-	-	-	-	(39)	-	-	68	-	68
Forfeiture of share options	-	-	-	-	-	(54)	-	54	-	-	-
Value of employee services received for issue of share options	-	-	-	-	-	90	-	-	90	-	90
Purchase of treasury shares	-	-	(38)	-	-	-	-	-	(38)	-	(38)
Total transactions with owners	107	-	(38)	-	-	(3)	-	54	120	-	120
At 30 June 2010	64,633	17,798	(330)	116	-	3,849	(178)	98,126	184,014	10,100	194,114

Statements of Changes in Equity for the 3 Months ended 30 June 2010 (cont'd)

<u>Company</u>	<u>Share capital</u>	<u>Capital reserve</u>	<u>Reserve for own shares</u>	<u>Share option reserve</u>	<u>Accumulated profits</u>	<u>Total</u>
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 April 2009	64,378	17,798	(151)	3,569	2,260	87,854
Total comprehensive income for the period	-	-	-	-	(215)	(215)
Transactions with owners, recorded directly in equity						
Issue of shares under share option scheme	148	-	-	(53)	-	95
Value of employee services received for issue of share options	-	-	-	555	-	555
Total transactions with owners	148	-	-	502	-	650
At 30 June 2009	64,526	17,798	(151)	4,071	2,045	88,289
At 1 April 2010	64,526	17,798	(292)	3,852	29,358	115,242
Total comprehensive income for the period	-	-	-	-	100	100
Transactions with owners, recorded directly in equity						
Issue of shares under share option scheme	107	-	-	(39)	-	68
Effect of share options forfeited during the period	-	-	-	(54)	-	(54)
Value of employee services received for issue of share options	-	-	-	90	-	90
Purchase of treasury shares	-	-	(38)	-	-	(38)
Total transactions with owners	107	-	(38)	(3)	-	66
At 30 June 2010	64,633	17,798	(330)	3,849	29,458	115,408

Note:

Capital reserve

Capital Reduction Reserve

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

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

Notes to the Financial Statements

Notes to the Consolidated Income Statement

The Group is reporting its first quarter results for the period from 1 April 2010 to 30 June 2010 ("1Q11") with comparative figures for the 3 months period from 1 April 2009 to 30 June 2009 ("1Q10").

A Cost of sales

Group	
3 months ended	
30/06/2010	30/06/2009
S\$'000	S\$'000

Cost of sales includes the following items:

Allowances (reversed)/made for:		
- foreseeable losses on construction work-in-progress ⁽¹⁾	-	(81)
- foreseeable losses on land held for sale ⁽²⁾	-	265
Depreciation of property, plant and equipment	5,454	4,929
Impairment losses reversed on property, plant and equipment	-	(125)
Inventories written back	(341)	-
Inventories written off	3	2

⁽¹⁾ The Group recognises allowance for foreseeable losses taking into account the contracted revenue, estimated costs to completion, project duration and overruns. Reversals of allowance for foreseeable losses are mainly due to excess provisions which are no longer required after the finalisation of projects.

⁽²⁾ Land held for sale is stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less anticipated cost of disposal.

B Other income

Group	
3 months ended	
30/06/2010	30/06/2009
S\$'000	S\$'000

Other income includes the following item:

Gain on disposal of property, plant and equipment	230	50
---	-----	----

Notes to the Consolidated Income Statement (cont'd)

C Other operating expenses

	Group 3 months ended	
	30/06/2010	30/06/2009
	S\$'000	S\$'000
Other operating expenses includes the following items:		
Bad debts written off	-	59
Depreciation of property, plant and equipment	241	218
Exchange (gain)/loss	(136)	134
Impairment losses reversed on:		
- property, plant and equipment	(1)	-
- investment in and balance with an associate	-	(93)
- trade, progress billing and other receivables ⁽³⁾	(532)	(921)
Property, plant and equipment written off	40	-
Share option expense	90	555

⁽³⁾ 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. 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 loss on disposal of quoted shares, available for sale of S\$10,000. The 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	
	30/06/2010	30/06/2009
	S\$'000	S\$'000
Current tax expense		
- current period	684	1,657
- under provided in prior years	218	-
	902	1,657
Deferred tax expense/(credit)		
- current period	36	(17)
- under provided in prior years	10	-
	46	(17)
	948	1,640

Notes to the Consolidated Income Statement (cont'd)

F Interested person transactions

Interested person transactions carried out during the 3 months ended 30 June 2010 under Chapter 9 of the Listing Manual are as follows:-

Name of interested person	Aggregate value of all interested person transactions during the year 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\$733,000

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 30/06/2010 S\$'000	As at 31/03/2010 S\$'000
<u>Cost</u>		
Opening balance	200,028	190,744
Additions	10,493	16,955
Assets acquired through business combinations	-	1,219
Disposals/Write-offs	(338)	(6,788)
Transfer to assets held for sale	-	(2,805)
Translation differences on consolidation	104	703
Closing balance	<u>210,287</u>	<u>200,028</u>
<u>Accumulated depreciation and impairment losses</u>		
Opening balance	73,932	62,326
Additions	5,694	19,515
Disposals/Write-offs	(84)	(5,932)
Transfer to assets held for sale	-	(2,212)
Translation differences on consolidation	13	235
Closing balance	<u>79,555</u>	<u>73,932</u>
Carrying amount	<u>130,732</u>	<u>126,096</u>

2 Inventories

	Group	
	As at 30/06/2010 S\$'000	As at 31/03/2010 S\$'000
Equipment and machinery held for sale	17,421	16,589
Spare parts	3,873	3,110
Materials on sites	5,062	4,059
	<u>26,356</u>	<u>23,758</u>

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

	Group	
	As at 30/06/2010 S\$'000	As at 31/03/2010 S\$'000
Cost incurred and attributable profit	628,292	597,152
Allowance for foreseeable losses	(619)	(619)
	<u>627,673</u>	<u>596,533</u>
Progress billings	(638,843)	(607,361)
	<u>(11,170)</u>	<u>(10,828)</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 30/06/2010	
Secured	Unsecured
S\$'000	S\$'000
47,985	-

As at 31/03/2010	
Secured	Unsecured
S\$'000	S\$'000
46,193	-

Amount repayable after one year

As at 30/06/2010	
Secured	Unsecured
S\$'000	S\$'000
27,745	-

As at 31/03/2010	
Secured	Unsecured
S\$'000	S\$'000
26,138	-

Details of any collateral

The Group's total secured borrowings amounted to S\$75.7 million (31 March 2010: S\$72.3 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\$14.7 million (31 March 2010: S\$12.1 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 related corporations:

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

Notes to the Statement of Changes in Equity

1 Changes in the Company's Share Capital

As at 30 June 2010, the issued and fully paid-up share capital of the Company was S\$64,526,042 (31 March 2010: S\$64,526,042). Movement in the Company's issued and fully paid-up share capital during the 3 months ended 30 June 2010 was as follows:

	Number of shares	S\$'000
As at 1 April 2010	1,226,243,725	64,526
Issue of shares under CSC Executive Share Option Scheme 2004	1,000,000	107
As at 30 June 2010	<u>1,227,243,725</u>	<u>64,633</u>

During the period, the Company completed the buy-back of 250,000 (30 June 2009: Nil) ordinary shares. As at 30 June 2010, the Company held 3,000,000 (31 March 2010: 2,750,000) of its own uncanceled shares. There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the 3 months ended 30 June 2010.

The total number of ordinary shares issued (excluding treasury shares) as at 30 June 2010 was 1,224,243,725 (31 March 2010: 1,223,493,725) ordinary shares.

As at 30 June 2010, there were outstanding share options for conversion into 71,830,000 (31 March 2010: 74,850,000) ordinary shares under the CSC Executive Share Option Scheme 2004.

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 2010, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial periods beginning on or after 1 April 2010.

Among the changes to Financial Reporting Standards (FRS) are *FRS 103 (revised) Business Combinations* and *FRS 27 (amended) Consolidated and Separate Financial Statements* which will become effective for the Group's financial statements for the year ending 31 March 2011. *FRS 103 (revised)* introduces significant changes to the accounting for business combination, both at the acquisition date and post acquisition, and requires greater use of fair values. The amendments will mainly impact the accounting for transaction costs, step acquisitions, goodwill and non-controlling interests (previously minority interests).

FRS 27 (amended) requires accounting for changes in ownership interests by the Group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the Group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with gain or loss recognised in the income statement.

The *FRS 103 (revised)* and *FRS 27 (amended)* will be applied prospectively and therefore there will be no impact on prior periods in the Group's financial statements for the year ending 31 March 2011.

Earnings Per Share

(a) Basic earnings per ordinary share

	3 months ended	
	30/06/2010	30/06/2009
Based on the weighted average number of ordinary shares on issue	0.27 cents	0.49 cents
	3 months ended	
	30/06/2010	30/06/2009
	S\$'000	S\$'000
Basic earnings per ordinary share is based on: Net profit attributable to ordinary shareholders	3,294	6,016

	3 months ended	
	30/06/2010	30/06/2009
	Number of shares	
Weighted average number of: Issued ordinary shares at beginning of the period	1,226,243,725	1,225,243,725
Ordinary shares issued arising from exercise of share options	318,681	285,714
Ordinary shares held as treasury shares	(2,850,549)	(1,900,000)
Weighted average number of ordinary shares used to compute earnings per ordinary share	1,223,711,857	1,223,629,439

(b) Diluted earnings per ordinary share

	3 months ended	
	30/06/2010	30/06/2009
On a fully diluted basis	0.27 cents	0.49 cents
	3 months ended	
	30/06/2010	30/06/2009
	S\$'000	S\$'000
Diluted earnings per ordinary share is based on: Net profit attributable to ordinary shareholders	3,294	6,016

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, with the potential ordinary shares weighted for the period outstanding.

Earnings Per Share (cont'd)

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

	3 months ended	
	30/06/2010	30/06/2009
	Number of shares	
Weighted average number of: Ordinary shares used in the calculation of basic earnings per ordinary share	1,223,711,857	1,223,629,439
Potential ordinary shares issuable under exercise of share options	2,787,252	2,334,607
Weighted average number of ordinary issued and potential shares assuming full conversion	1,226,499,109	1,225,964,046

Net Asset Value

	As at 30/06/2010	As at 31/03/2010
Group Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of the period reported on	15.9 cents	15.5 cents
Company Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of the period reported on	9.4 cents	9.4 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 2010 of 1,224,243,725 (31 March 2010: 1,223,493,725) 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
Chief Financial Officer / Company Secretary
10 August 2010