

## Financial Statements and Related Announcement::First Quarter Results

## Issuer &amp; Securities

<b>Issuer/ Manager</b>	CSC HOLDINGS LIMITED
<b>Securities</b>	CSC HOLDINGS LTD - SG1F84861094 - C06
<b>Stapled Security</b>	No

## Announcement Details

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## Additional Details

<b>For Financial Period Ended</b>	30/06/2014
<b>Attachments</b>	<a href="#">1Q15.pdf</a> Total size =156K


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# **CSC HOLDINGS LIMITED**

(Company Registration Number: 199707845E)

**Financial Statements Announcement**

**for the First Quarter Ended 30 June 2014**

**(For the Financial Year Ending 31 March 2015)**

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## Review of the Performance of the Group

### CONSOLIDATED INCOME STATEMENT

1Q15 – for the 3 months ended 30 June 2014

1Q14 – for the 3 months ended 30 June 2013

#### Review of Results for the First Quarter Ended 30 June 2014

	1Q15 \$'000	1Q14 \$'000	Change %
<b>Revenue</b>	93,135	131,863	(29.4)
<b>Gross Profit</b>	4,402	8,868	(50.4)
Other Income	703	1,379	(49.0)
Operating Expenses	(7,229)	(7,977)	(9.4)
<b>(Loss)/Profit from Operating Activities</b>	(2,124)	2,270	N.M.
Net Finance Expenses	(817)	(882)	(7.4)
Share of (Loss)/Profit of a Jointly-Controlled Entity	(16)	119	N.M.
<b>(Loss)/Profit before Tax</b>	(2,957)	1,507	N.M.
Tax Credit/(Expense)	56	(360)	N.M.
<b>(Loss)/Profit for the period</b>	(2,901)	1,147	N.M.

**Gross Profit Margins** 4.7% 6.7%

#### Revenue

Revenue for 1Q15 declined by 29.4% to \$93.1million, compared to \$131.9 million in 1Q14. The contraction in revenue was due to a slowdown in private construction activities, following the introduction of cooling measures to the private residential property sector. The effect of such measures was adversely felt by the construction sector in Singapore which has led to dampened construction demand. However, with the recent commencement of the new Thomson Line Mass Rapid Transit Stations in July 2014, demand for foundation engineering works in the coming quarters should recover.

#### Gross Profit and Gross Profit Margins (GPM)

Gross profit and GPM for 1Q15 were adversely affected due to the significant decrease in revenue.

#### Other Income

The Group recorded lower other income of \$0.7 million in 1Q15 (1Q14: \$1.4 million), taking into account a \$0.5 million one-off gain on the disposal of a leasehold building in 1Q14.

### Operating Expenses

	<b>1Q15 \$'000</b>	<b>1Q14 \$'000</b>	<b>Change %</b>
<b>Other Operating Expenses</b>	7,083	7,644	(7.3)
Exchange Loss	146	121	20.7
Loss on Liquidation of A subsidiary	-	1	(100.0)
Translation Differences relating to Liquidation of Interests in A subsidiary	-	211	(100.0)
<b>Net Operating Expenses</b>	<b>7,229</b>	<b>7,977</b>	<b>(9.4)</b>
<b>Other Operating Expenses /Revenue</b>	<b>7.6%</b>	<b>5.8%</b>	

Other operating expenses fell 7.3% to \$7.1 million in 1Q15, compared to \$7.6 million in 1Q14, as a result of measures put in place to reduce overheads. Other operating expenses to revenue ratio for 1Q15 was 7.6%, which was higher as compared to the 5.8% achieved in 1Q14, in view of the decline in revenue in 1Q15.

### Net Finance Expenses

	<b>1Q15 \$'000</b>	<b>1Q14 \$'000</b>	<b>Change %</b>
Interest Income	2	20	(90.0)
Interest Expenses	(990)	(1,041)	(4.9)
<b>Net Interest Expenses</b>	<b>(988)</b>	<b>(1,021)</b>	<b>(3.2)</b>
Imputed Interest on Non- Current Assets/Liabilities	171	139	23.0
<b>Net Finance Expenses</b>	<b>(817)</b>	<b>(882)</b>	<b>(7.4)</b>

Net interest expenses for 1Q15 was lower as compared to 1Q14.

### Share of (Loss)/Profit of a Jointly-Controlled Entity

Share of loss of a jointly-controlled entity amounted to \$0.02 million in 1Q15 (1Q14: Share of profit of \$0.1 million).

### (Loss)/Profit for the period

The Group recorded a net loss and loss per share of \$2.9 million and 0.37 cent respectively in 1Q15, as compared to a net profit and earnings per share of \$1.1 million and 0.05 cent per share for 1Q14.

## STATEMENT OF FINANCIAL POSITION

### **Property, Plant and Equipment**

As at 30 June 2014, the net book value of property, plant and equipment amounted to \$165.1 million (31 March 2014: \$166.8 million). During the period under review, the Group acquired \$1.6 million worth of new plant and equipment to replace older equipment. At the same time, the Group also disposed of plant and equipment amounting to \$0.6 million and recorded a \$0.4 million gain on the disposal. Depreciation for the period was \$6.8 million (1Q14: \$6.8 million).

### **Net Current Assets**

Net current assets of the Group as at 30 June 2014 stood at \$59.1 million (31 March 2014: \$62.1 million) with a current ratio (current assets / current liabilities) of 1.26 (31 March 2014: 1.26).

As at 30 June 2014, the Group's inventories amounted to \$66.2 million (31 March 2014: \$71.3 million), in line with the lower revenue in 1Q15.

Trade and other receivables were \$204.8 million (31 March 2014: \$217.9 million) while trade and other payables were \$111.2 million (31 March 2014: \$126.6 million).

### **Borrowings**

Total borrowings of the Group as at 30 June 2014 were \$148.0 million (31 March 2014: \$150.9 million). This represents a debt over equity ratio of 0.76 (31 March 2014: 0.76).

The decrease in borrowings was mainly due to net repayment of bank borrowings in 1Q15.

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

Total equity was \$195.5 million as at 30 June 2014 (31 March 2014: \$198.2 million), while net asset value per ordinary share was 16.2 cents (31 March 2014: 16.4 cents).

## CASH FLOW

	1Q15 \$'000	1Q14 \$'000	Change %
<b>Cash Flow from Operating Activities</b>	5,932	14,923	(60.2)
<b>Cash Flow from Investing Activities</b>	(448)	3,207	N.M.
<b>Cash Flow from Financing Activities</b>	(9,143)	(10,869)	(15.9)
<b>Cash and Cash Equivalents</b>	4,239	11,140	(61.9)

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

Net cash inflow from operating activities for 1Q15 was \$5.9 million (1Q14: \$14.9 million), a decrease over the previous corresponding quarter mainly as a result of losses suffered in 1Q15.

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

Net cash outflow from investing activities for 1Q15 was \$0.4 million as compared to an inflow of \$3.2 million in 1Q14. This was mainly due to proceeds arising from the sale of a leasehold building and older equipment in 1Q14.

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

The Group's net cash outflow from financing activities for 1Q15 was \$9.1 million (1Q14: \$10.9 million). The lower outflow in 1Q15 as compared to 1Q14 was mainly due to the redemption of redeemable preference shares amounting to \$1.1 million in 1Q14.

Taking the abovementioned factors into consideration, the Group ended 1Q15 with cash and cash equivalents of \$4.2 million (1Q14: \$11.1 million).

## Outlook

Singapore's Ministry of Trade and Industry data showed that construction growth has slowed to 5.0 percent in 2nd quarter of calendar year 2014 compared to 6.4 per cent in the preceding quarter. The effects of the slowdown in the construction sector were acutely felt by the Group in the current reporting quarter. In addition, factors such as keen competition and rising construction costs as a result of a tight labour market continue to be great challenges for the industry.

Since 1 April 2014, the Group has secured more than \$150 million worth of contracts. As a result, the Group's order book as at 6 August 2014 now stands at approximately \$230 million (21 May 2014: \$200 million).

Amongst contracts secured in Singapore during this period were foundation contracts for new Thomson Line MRT stations, Springleaf and Lenton stations, New States Court Complex, private and public residential projects, other transport infrastructure projects, community and educational institutions and various industrial projects throughout Singapore.

The Group continues to secure foundation contracts in Malaysia for several new private condominium projects in the Klang Valley and in Johor.

Although the construction environment remains challenging, the Group will continue its relentless efforts to optimise its resource allocations and cost structure.



## Consolidated Income Statement for the 3 months ended 30 June 2014

	Note	Group		
		3 months ended		Change
		30-Jun-14	30-Jun-13	
		\$'000	\$'000	%
<b>Revenue</b>		93,135	131,863	(29.4)
Cost of sales	A	(88,733)	(122,995)	(27.9)
<b>Gross profit</b>		4,402	8,868	(50.4)
Other income	B	703	1,379	(49.0)
Distribution expenses		(69)	(129)	(46.5)
Administrative expenses	C	(6,734)	(7,688)	(12.4)
Other operating expenses	D	(426)	(160)	N.M.
<b>Results from operating activities</b>		(2,124)	2,270	N.M.
Finance income		173	159	8.8
Finance expenses		(990)	(1,041)	(4.9)
<b>Net finance expenses</b>		(817)	(882)	(7.4)
Share of (loss)/profit of a jointly-controlled entity		(16)	119	N.M.
<b>(Loss)/Profit before tax</b>		(2,957)	1,507	N.M.
Tax credit/(expense)	E	56	(360)	N.M.
<b>(Loss)/Profit for the period</b>		(2,901)	1,147	N.M.
<b>Attributable to:</b>				
Owners of the Company		(4,432)	607	N.M.
Non-controlling interests		1,531	540	N.M.
<b>(Loss)/Profit for the period</b>		(2,901)	1,147	

Gross profit margin  
Net (loss)/profit margin

4.7%      6.7%  
-3.1%     0.9%

## Consolidated Statement of Comprehensive Income for the 3 months ended 30 June 2014

	Group		
	3 months ended		Change
	30-Jun-14	30-Jun-13	
	\$'000	\$'000	%
<b>(Loss)/Profit for the period</b>	(2,901)	1,147	N.M.
<b>Other comprehensive income</b>			
<b>Items that are or may be reclassified subsequently to profit or loss:</b>			
Translation differences relating to financial statements of foreign subsidiaries, an associate and a jointly-controlled entity	218	217	0.5
Translation differences relating to liquidation of interests in a subsidiary reclassified to profit or loss	-	(211)	N.A.
<b>Other comprehensive income for the period, net of tax</b>	218	6	N.M.
<b>Total comprehensive income for the period</b>	(2,683)	1,153	N.M.
<b>Attributable to:</b>			
Owners of the Company	(4,215)	621	N.M.
Non-controlling interests	1,532	532	N.M.
<b>Total comprehensive income for the period</b>	(2,683)	1,153	

## Statement of Financial Position as at 30 June 2014

DESCRIPTION	Note	Group		Company	
		30-Jun-14	31-Mar-14	30-Jun-14	31-Mar-14
		\$'000	\$'000	\$'000	\$'000
<b>Non-current assets</b>					
Property, plant and equipment	1	165,061	166,832	-	-
Intangible assets		1,452	1,452	-	-
Investments in:					
- subsidiaries		-	-	87,418	87,418
- a jointly-controlled entity		1,262	1,302	-	-
Other investment		1,917	1,917	-	-
Trade and other receivables		12,264	14,295	-	-
Deferred tax asset		-	-	29	29
		181,956	185,798	87,447	87,447
<b>Current assets</b>					
Inventories	2	66,169	71,295	-	-
Derivatives		-	22	-	-
Trade and other receivables		204,794	217,915	29,500	29,572
Cash and cash equivalents		12,720	13,020	624	609
Non-current assets classified as held for sale		83	83	-	-
		283,766	302,335	30,124	30,181
<b>Total assets</b>		465,722	488,133	117,571	117,628

**Statement of Financial Position as at 30 June 2014 (cont'd)**

DESCRIPTION	Note	Group		Company	
		30-Jun-14	31-Mar-14	30-Jun-14	31-Mar-14
		\$'000	\$'000	\$'000	\$'000
<b>Equity attributable to owners of the Company</b>					
Share capital		64,953	64,953	64,953	64,953
Reserves		105,029	109,262	44,761	44,745
		169,982	174,215	109,714	109,698
<b>Non-controlling interests</b>		25,551	24,019	-	-
<b>Total equity</b>		195,533	198,234	109,714	109,698
<b>Non-current liabilities</b>					
Loans and borrowings		43,242	46,348	-	-
Deferred tax liabilities		2,315	3,294	-	-
		45,557	49,642	-	-
<b>Current liabilities</b>					
Loans and borrowings		104,747	104,528	-	-
Derivatives		-	2	-	-
Trade and other payables		111,229	126,593	7,783	7,858
Excess of progress billings over construction work-in-progress	3	7,077	8,136	-	-
Current tax payable		1,579	998	74	72
		224,632	240,257	7,857	7,930
<b>Total liabilities</b>		270,189	289,899	7,857	7,930
<b>Total equity and liabilities</b>		465,722	488,133	117,571	117,628

## Consolidated Statement of Cash Flows for the 3 months ended 30 June 2014

	3 months ended	
	<u>30-Jun-14</u>	<u>30-Jun-13</u>
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
(Loss)/Profit for the period	(2,901)	1,147
Adjustments for:		
Bad debts written off	2	9
Depreciation of property, plant and equipment	6,806	6,750
Gain on disposal of property, plant and equipment	(406)	(918)
Impairment losses made/(reversed) on trade, progress billing and other receivables	402	(93)
Inventories written down	19	130
Loss on liquidation of a subsidiary	-	1
Net finance expenses	817	882
Translation differences relating to liquidation of interests in a subsidiary	-	211
Share of loss/(profit) of a jointly-controlled entity	16	(119)
Tax (credit)/expense	(56)	360
<b>Operating activities before working capital changes</b>	<b>4,699</b>	<b>8,360</b>
Changes in working capital:		
Inventories	1,003	(4,375)
Trade, progress billing and other receivables	14,677	(4,169)
Trade and other payables	(14,111)	15,485
Cash generated from operations	6,268	15,301
Taxes paid	(338)	(398)
Interest received	2	20
<b>Net cash generated from operating activities</b>	<b>5,932</b>	<b>14,923</b>

**Consolidated Statement of Cash Flows for the 3 months ended 30 June 2014  
(cont'd)**

	3 months ended	
	<u>30-Jun-14</u>	<u>30-Jun-13</u>
	\$'000	\$'000
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(703)	(1,078)
Proceeds from disposal of property, plant and equipment	255	4,285
<b>Net cash (used in)/generated from investing activities</b>	<u>(448)</u>	<u>3,207</u>
<b>Cash flows from financing activities</b>		
Interest paid	(968)	(1,048)
Proceeds from:		
- bank loans and hire purchase loans	13,940	13,121
- bills payable	15,562	21,251
Purchase of treasury shares	(18)	(402)
Redemption of redeemable preference shares	-	(1,100)
Repayment of:		
- bank loans	(9,822)	(10,500)
- bills payable	(18,393)	(23,953)
- finance lease liabilities	(9,219)	(8,238)
Increase in fixed deposits pledged	(225)	-
<b>Net cash used in financing activities</b>	<u>(9,143)</u>	<u>(10,869)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(3,659)	7,261
Cash and cash equivalents at 1 April	7,927	3,920
Effect of exchange rate changes on balances held in foreign currencies	(29)	(41)
<b>Cash and cash equivalents at 30 June</b>	<u><u>4,239</u></u>	<u><u>11,140</u></u>
Comprising:		
Cash and cash equivalents	12,720	17,118
Bank overdrafts	(8,256)	(5,978)
	<u>4,464</u>	<u>11,140</u>
Less:		
Fixed deposits pledged as security for bank facilities	(225)	-
Cash and cash equivalents in the consolidated cash flow statement	<u><u>4,239</u></u>	<u><u>11,140</u></u>

## Statements of Changes in Equity for the 3 months ended 30 June 2014

Group	Share capital	Capital reserve	Reserve for own shares	Reserve on consolidation	Share option reserve	Currency translation reserve	Other reserve	Accumulated profits	Total attributable to owners of the Company	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 April 2013	64,953	17,798	(1,424)	116	732	(1,122)	137	92,597	173,787	21,082	194,869
<b>Total comprehensive income for the period</b>											
Profit or loss	-	-	-	-	-	-	-	607	607	540	1,147
<b>Other comprehensive income</b>											
Translation differences relating to financial statements of foreign subsidiaries, an associate and a jointly-controlled entity	-	-	-	-	-	225	-	-	225	(8)	217
Translation differences relating to liquidation of interests in a subsidiary reclassified to profit or loss	-	-	-	-	-	(211)	-	-	(211)	-	(211)
Total other comprehensive income	-	-	-	-	-	14	-	-	14	(8)	6
Total comprehensive income for the period	-	-	-	-	-	14	-	607	621	532	1,153
<b>Transactions with owners, recorded directly in equity</b>											
Effect of share options forfeited during the period	-	-	-	-	(3)	-	-	3	-	-	-
Purchase of treasury shares	-	-	(402)	-	-	-	-	-	(402)	-	(402)
Total transactions with owners	-	-	(402)	-	(3)	-	-	3	(402)	-	(402)
<b>At 30 June 2013</b>	<b>64,953</b>	<b>17,798</b>	<b>(1,826)</b>	<b>116</b>	<b>729</b>	<b>(1,108)</b>	<b>137</b>	<b>93,207</b>	<b>174,006</b>	<b>21,614</b>	<b>195,620</b>
At 1 April 2014	64,953	17,798	(2,336)	116	-	(2,034)	137	95,581	174,215	24,019	198,234
<b>Total comprehensive income for the period</b>											
Profit or loss	-	-	-	-	-	-	-	(4,432)	(4,432)	1,531	(2,901)
<b>Other comprehensive income</b>											
Translation differences relating to financial statements of foreign subsidiaries, an associate and a jointly-controlled entity	-	-	-	-	-	217	-	-	217	1	218
Total other comprehensive income	-	-	-	-	-	217	-	-	217	1	218
Total comprehensive income for the period	-	-	-	-	-	217	-	(4,432)	(4,215)	1,532	(2,683)
<b>Transactions with owners, recorded directly in equity</b>											
Purchase of treasury shares	-	-	(18)	-	-	-	-	-	(18)	-	(18)
Total transactions with owners	-	-	(18)	-	-	-	-	-	(18)	-	(18)
<b>At 30 June 2014</b>	<b>64,953</b>	<b>17,798</b>	<b>(2,354)</b>	<b>116</b>	<b>-</b>	<b>(1,817)</b>	<b>137</b>	<b>91,149</b>	<b>169,982</b>	<b>25,551</b>	<b>195,533</b>

## Statements of Changes in Equity for the 3 months ended 30 June 2014 (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>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 April 2013	64,953	17,798	(1,424)	732	28,098	110,157
Total comprehensive income for the period	-	-	-	-	(309)	(309)
<b>Transactions with owners, recorded directly in equity</b>						
Effect of share options forfeited during the period	-	-	-	(3)	-	(3)
Purchase of treasury shares	-	-	(402)	-	-	(402)
Total transactions with owners	-	-	(402)	(3)	-	(405)
<b>At 30 June 2013</b>	<b>64,953</b>	<b>17,798</b>	<b>(1,826)</b>	<b>729</b>	<b>27,789</b>	<b>109,443</b>
At 1 April 2014	64,953	17,798	(2,336)	-	29,283	109,698
Total comprehensive income for the period	-	-	-	-	34	34
<b>Transactions with owners, recorded directly in equity</b>						
Purchase of treasury shares	-	-	(18)	-	-	(18)
Total transactions with owners	-	-	(18)	-	-	(18)
<b>At 30 June 2014</b>	<b>64,953</b>	<b>17,798</b>	<b>(2,354)</b>	<b>-</b>	<b>29,317</b>	<b>109,714</b>

Note:

Capital reserve

Capital Reduction Reserve

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

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



## Notes to the Financial Statements

### Notes to the Consolidated Income Statement

The Group is reporting its first quarter results for the period from 1 April 2014 to 30 June 2014 ("1Q15") with comparative figures for the 3 months period from 1 April 2013 to 30 June 2013 ("1Q14").

#### A Cost of sales

Group 3 months ended	
30/06/2014	30/06/2013
\$'000	\$'000

Cost of sales includes the following items:

Depreciation of property, plant and equipment	6,573	6,492
Inventories written down	19	130

#### B Other income

Group 3 months ended	
30/06/2014	30/06/2013
\$'000	\$'000

Other income includes the following item:

Gain on disposal of property, plant and equipment	406	918
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#### C Administrative expenses

Group 3 months ended	
30/06/2014	30/06/2013
\$'000	\$'000

Administrative expenses includes the following items:

Depreciation for property, plant and equipment	233	258
Exchange loss	146	121

## Notes to the Consolidated Income Statement (cont'd)

### D Other operating expenses

	<b>Group</b>	
	<b>3 months ended</b>	
	<b>30/06/2014</b>	<b>30/06/2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Other operating expenses includes the following items:		
Bad debts written off	2	9
Impairment losses made/(reversed) on trade, progress billing and other receivables <sup>(1)</sup>	402	(93)
Loss on liquidation of a subsidiary	-	1
Translation differences relating to liquidation of interests in a subsidiary	-	211

<sup>(1)</sup> The Group's accounts receivables position is reviewed on a periodic basis. Impairment losses are made where required, after assessing the probability of recovering the accounts receivables. These impairment losses do not relate to any major customers. Amounts written back are cash recovered from receivables previously impaired.

### E Tax (credit)/expense

	<b>Group</b>	
	<b>3 months ended</b>	
	<b>30/06/2014</b>	<b>30/06/2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Current tax expense		
- current period	799	349
- under provided in prior years	128	156
	<u>927</u>	<u>505</u>
Deferred tax credit		
- current period	(971)	(145)
- over provided in prior years	(12)	-
	<u>(983)</u>	<u>(145)</u>
	<u>(56)</u>	<u>360</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 2014 under Chapter 9 of the Listing Manual are as follows:

Name of interested person	Aggregate value of all interested person transactions during the period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	3 months ended 30/06/2014 \$'000	3 months ended 30/06/2014 \$'000
CMC Construction Pte Ltd <sup>(1)</sup>	Nil	411
Tat Hong HeavyEquipment (HK) Ltd <sup>(1)</sup>	Nil	315
Tat Hong HeavyEquipment (Pte.) Ltd. <sup>(1)</sup>	Nil	210

Note:

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

## Notes to the Statement of Financial Position

### 1 Property, plant and equipment

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

	Group	
	As at 30/06/2014 \$'000	As at 31/03/2014 \$'000
<b>Cost</b>		
Opening balance	322,705	323,886
Additions	1,568	10,964
Reclassification from inventories	3,991	4,075
Transfer to assets held for sale	-	(371)
Transfer to inventories	(7)	(1,811)
Disposals/Write-offs	(2,266)	(12,380)
Translation differences on consolidation	233	(1,658)
Closing balance	<u>326,224</u>	<u>322,705</u>
<b>Accumulated depreciation and impairment losses</b>		
Opening balance	155,873	139,319
Depreciation charge	6,806	27,385
Transfer to assets held for sale	-	(16)
Transfer to inventories	-	(904)
Disposals/Write-offs	(1,626)	(9,365)
Translation differences on consolidation	110	(546)
Closing balance	<u>161,163</u>	<u>155,873</u>
Carrying amount	<u>165,061</u>	<u>166,832</u>

### 2 Inventories

	Group	
	As at 30/06/2014 \$'000	As at 31/03/2014 \$'000
Equipment and machinery held for sale	53,050	59,790
Spare parts	9,337	8,351
Construction materials on sites	3,808	3,179
	<u>66,195</u>	<u>71,320</u>
Allowance for inventory obsolescence	(26)	(25)
	<u>66,169</u>	<u>71,295</u>

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

	Group	
	As at 30/06/2014 \$'000	As at 31/03/2014 \$'000
Cost incurred and attributable profit	914,899	871,117
Progress billings	(921,976)	(879,253)
	<u>(7,077)</u>	<u>(8,136)</u>

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

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

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

As at 30/06/2014	
Secured	Unsecured
\$'000	\$'000
30,753	73,994

As at 31/03/2014	
Secured	Unsecured
\$'000	\$'000
33,212	71,316

#### Amount repayable after one year

As at 30/06/2014	
Secured	Unsecured
\$'000	\$'000
36,371	6,871

As at 31/03/2014	
Secured	Unsecured
\$'000	\$'000
39,750	6,598

#### Details of any collateral

The Group's total borrowings were \$148.0 million (31 March 2014: \$150.9 million) and consist of finance leases and bank loans. Included in the borrowings repayable within one year were bills payable amounting to \$17.9 million (31 March 2014: \$20.7 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 guaranteed by the Company. Out of which \$31,278,000 (31 March 2014: \$30,887,000) and \$8,602,000 (31 March 2014: \$10,047,000) are also guaranteed by a related corporation and directors of certain subsidiaries respectively:

- a) \$57,132,000 (31 March 2014: \$61,829,000) in respect of plant and machinery acquired under finance leases;
- b) \$6,250,000 (31 March 2014: \$6,875,000) which are secured by a charge over the leasehold land and properties; and
- c) \$3,742,000 (31 March 2014: \$4,258,000) which are secured by a mortgage over the plant and machinery.

## Notes to the Statement of Changes in Equity

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

As at 30 June 2014, the issued and fully paid-up share capital of the Company was 1,230,243,725 (31 March 2014: 1,230,243,725) ordinary shares.

During the 3 months ended 30 June 2014, the Company completed the buy-back of 200,000 ordinary shares. There were 20,520,000 shares held as treasury shares as at 30 June 2014 (30 June 2013: 15,180,000 shares). There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the 3 months ended 30 June 2014.

The total number of ordinary shares issued (excluding treasury shares) as at 30 June 2014 was 1,209,723,725 (31 March 2014: 1,209,923,725) ordinary shares.

As at 30 June 2014, there were no outstanding share options (30 June 2013: 29,580,000) for conversion into ordinary shares under the CSC Executive Share Option Scheme 2004, which had expired on 21 July 2009 notwithstanding that the outstanding options will continue to be effective until its expiry.

## 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 2014, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning on or after 1 April 2014.

Financial Reporting Standards (FRS) which became effective for the Group's financial year beginning 1 April 2014 are as follows:

FRS 27	<i>Separate Financial Statements</i>
FRS 28	<i>Investments in Associates and Joint Ventures</i>
Amendments to FRS 36	<i>Recoverable Amount Disclosures for Non-Financial Assets</i>
FRS 110	<i>Consolidated Financial Statements</i>
FRS 111	<i>Joint Arrangements</i>
FRS 112	<i>Disclosure of Interests in Other Entities</i>

The adoption of the above FRS does not expect any significant impact on the Group's financial position or performance.

## Earnings Per Share

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

	<b>3 months ended</b>	
	<b>30/06/2014</b>	<b>30/06/2013</b>
Based on the weighted average number of ordinary shares on issue	(0.37) cents	0.05 cents
	<b>3 months ended</b>	
	<b>30/06/2014</b>	<b>30/06/2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Basic (loss)/earnings per ordinary share is based on: Net (loss)/profit attributable to ordinary shareholders	<u>(4,432)</u>	<u>607</u>
	<b>3 months ended</b>	
	<b>30/06/2014</b>	<b>30/06/2013</b>
Weighted average number of: Issued ordinary shares at beginning of the period	1,230,243,725	1,230,243,725
Ordinary shares held as treasury shares	(20,520,000)	(12,872,967)
Weighted average number of ordinary shares used to compute (loss)/earnings per ordinary share	<u>1,209,723,725</u>	<u>1,217,370,758</u>

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

	<b>3 months ended</b>	
	<b>30/06/2014</b>	<b>30/06/2013</b>
On a fully diluted basis	(0.37) cents	0.05 cents
	<b>3 months ended</b>	
	<b>30/06/2014</b>	<b>30/06/2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Diluted (loss)/earnings per ordinary share is based on: Net (loss)/profit attributable to ordinary shareholders	<u>(4,432)</u>	<u>607</u>

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

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

	<b>3 months ended</b>	
	<b>30/06/2014</b>	<b>30/06/2013</b>
Weighted average number of: Ordinary shares used in the calculation of basic (loss)/earnings per ordinary share	1,209,723,725	1,217,370,758
Potential ordinary shares issuable under exercise of share options	<u>-</u>	<u>-</u>
Weighted average number of ordinary shares issued and potential shares assuming full conversion	<u>1,209,723,725</u>	<u>1,217,370,758</u>

## Net Asset Value

	<u>As at 30/06/2014</u>	<u>As at 31/03/2014</u>
<b><u>Group</u></b>		
Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of the period reported on	16.2 cents	16.4 cents
<b><u>Company</u></b>		
Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of the period reported on	9.1 cents	9.1 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 2014 of 1,209,723,725 (31 March 2014: 1,209,923,725) ordinary shares.

## Variance from Prospect Statement

No forecast or prospect statement has been disclosed to shareholders.

## 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  
7 August 2014