



CSC HOLDINGS LIMITED

(Company Registration Number: 199707845E)

**Financial Statements &
Dividend Announcement
for the Second Quarter Ended
30 September 2009**

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Review of the Performance of the Group

CONSOLIDATED INCOME STATEMENT

1Q10 – for the 3 months ended 30 June 2009

2Q10 – for the 3 months ended 30 September 2009

2Q09 – for the 3 months ended 30 September 2008

1HY10 – for the 6 months ended 30 September 2009

1HY09 – for the 6 months ended 30 September 2008

Review of Results for the Second Quarter Ended 30 September 2009

	2Q10	1Q10	Change
	\$'000	\$'000	%
Revenue	70,373	81,358	-13.5%
Gross Profit	14,539	15,119	-3.8%
Operating Expenses	(4,334)	(5,952)	-27.2%
Net Finance Expenses	(1,306)	(1,137)	14.9%
Profit Before Income Tax	9,834	8,321	18.2%
Profit For The Period	8,096	6,681	21.2%

CSC Holdings Limited and its subsidiaries (“collectively referred to as “the Group”) recorded a sequential improvement of 21.2% in its Net Profit after Tax to \$8.1 million in 2Q10, from \$6.7 million in 1Q10. This improvement was achieved despite a 13.5% decline in lower sequential revenue of \$70.4 million in 2Q10 versus \$81.4 million in 1Q10. However, the Group Net Profit after Tax for 1HY10 was \$14.8 million which was lower than that achieved in 1HY09 of \$27.7 million.

Basic earnings per share improved by 30.6% to 0.64 cents per share in 2Q10 when compared to 0.49 cents in 1Q10. Earnings per share for 1HY10 were 1.14 cents per share (1HY09: 2.20 cents per share)

Revenue

The 13.5% sequential decline was significantly smaller than the 26.6% sequential decline in 1Q10 revenue compared to the quarter ended 31 March 2009.

Revenue for 1HY10 registered a decrease of 54.6% as compared to 1HY09. With prices for key construction materials such as ready mixed concrete and reinforced steel bars falling significantly in the 1HY10, the value of new contracts secured during the period was correspondingly lower. This together with lower construction activity levels for industrial building projects in 1HY10 resulted in lower overall revenue for the Group.

Gross Profit

Despite intense competition, the Group’s efforts in tightening cost control and improving operational efficiencies proved worthwhile during the quarter under review. Gross profit margin (“GPM”) for 2Q10 improved to 20.7% from 18.6% in 1Q10. Overall GPM for 1HY10 improved to 19.5% compared to 17.3% in 1HY09.

Operating Expenses

Administrative, distribution and other operating expenses (“Operating Expenses”) fell 27.2% to \$4.3 million in 2Q10 from \$6.0 million in 1Q10. The Group’s Operating Expenses to Revenue ratio for 2Q10 was 6.2%, an improvement over 1Q10’s ratio of 7.3%.

Year-on-year, operating expenses fell 52.1% from \$21.5 million in 1HY09 to \$10.3 million in 1HY10. The Group’s Operating Expenses to Revenue ratio for 1HY10 of 6.8% was comparable to 1HY09’s ratio of 6.4%.

Finance Expenses

Net finance expenses ("FE") were \$1.3 million and \$2.4 million for 2Q10 and 1HY10 respectively.

2Q10 FE consisted of finance expenses of \$0.9 million (1Q10: \$1.0 million) and a charge of \$0.4 million (1Q10: \$0.1 million) arising from the re-measurement of long term receivables made in accordance to the Singapore Financial Reporting Standards. Interest expenses of \$0.9 million in 2Q10 (1Q10: \$1.0 million) decreased due to lower bank borrowings during the quarter under review.

Nevertheless, net FE for 1HY10 was lower than 1HY09's FE by 9.2% due to the repayment of loans and finance lease obligations over the period concerned.

Share of Profit/(Loss) of Associates

Share of profit of associates in 2Q10 increased to \$0.6 million (1Q10: loss of \$0.03 million) due to the positive results of an associate in the quarter under review.

BALANCE SHEETS

Property, Plant and Equipment

The value of the Group's property, plant and equipment was \$128.3 million as of 30 September 2009 (31 March 2009: \$128.4 million). For the six months ended 30 September 2009, the Group acquired \$10.4 million worth of plant and equipment while incurring a depreciation charge of \$10.3 million during the same period.

The acquisitions were initiated to replace older equipment with new ones and to bolster certain segments of the Group's business i.e. the marine investigation division. The Group also recorded a gain of \$0.2 million on the disposal of some older equipment.

Non-current Trade and Other Receivables

Non-current trade and other receivables consist mainly of retention monies that have an ageing period of more than 12 months. As of 30 September 2009, non-current trade and other receivables amounted to \$15.0 million, a decrease of \$3.8 million as some retention monies were transferred to current trade and other receivables in 2Q10.

Net Current Assets

The Group had adopted prudent working capital management policies and closely monitors trade receivables. As a result, the Group's net current assets improved by 12.5% to \$71.8 million and its current ratio (current assets / current liabilities) improved by 9.1% to 1.47 as of 30 September 2009 (31 March 2009: 1.35).

Trade and Other Receivables

Trade and other receivables decreased by 11.2% to \$158.4 million as compared to \$178.4 million as of 31 March 2009 in line with lower revenue recorded in 1HY10. Close monitoring of the trade receivables ensured prompt collection and minimised the risks of receivables turning bad.

Borrowings

As at 30 September 2009, the Group's borrowings decreased by 13.4% to \$71.1 million due to net repayment of debts in 1HY10. The Group's debt to equity ratio as at 30 September 2009 also decreased to 39.5% as compared to 48.6% as of 31 March 2009.

Equity and Net Asset Value

Group equity as of 30 September 2009 improved by 6.6% to \$180.0 million (31 March 2009: \$168.9 million). The Group's share capital increased by \$0.1 million as a result of share options exercised.

Reserves increased by \$10.1 million to \$107.8 million arising from the net profit of \$13.8 million for 1HY10, increase in share option reserves of \$0.8 million and partially set off by the payment of the final dividend in August 2009 for financial year ended 31 March 2009 amounting to \$4.5 million.

The Group's net asset value per share as of 30 September 2009 had improved by 6.5% to 14.7 cents as compared to 13.8 cents as at 31 March 2009.

CASH FLOW

	2Q10 \$'000	1Q10 \$'000	Change %
Cash Flow from Operating Activities	6,227	17,370	-64.2%
Cash Flow from Investing Activities	(4,793)	(1,506)	218.3%
Cash Flow from Financing Activities	(10,903)	(6,928)	57.4%
Cash and Cash Equivalents	25,196	34,674	-27.3%

As at 30 September 2009, the Group's cash and cash equivalents stood at \$25.2 million (30 June 2009: \$34.7 million) a decline of \$9.5 million.

Cash Flow from Operating Activities

The Group generated positive operating cash inflows of \$6.2 million in 2Q10 (1Q10: \$17.4 million). The decrease in the cash inflow for 1HY10 was \$23.6 million (1HY09: \$34.1 million). The general decrease was in line with the year-on-year fall in profit and revenue recorded in the current period under review.

Cash Flow from Investing Activities

The Group incurred a net cash outflow of \$4.8 million from investing activities in 2Q10 as a result of its acquisition of plant and equipment in 2Q10.

The Group's net cash outflow for 1HY10 was \$6.3 million as compared to \$13.1 million in 1HY09. The Group had a significantly higher capital expenditure plan in 1HY09 due to the surge in construction activities during that period.

Cash Flow from Financing Activities

The Group repaid loans (including interest payments) of \$8.4 million in 2Q10 and raised \$2.0 million in term loans. Total loans repaid (including interest payments) for 1HY10 was \$18.5 million versus new term loans acquired of \$5.0 million.

Final dividends (relating to FY09) amounting to \$4.5 million were also paid out to the shareholders of the Company in August 2009.

Outlook

The Building and Construction Authority of Singapore (“BCA”) estimated that construction demand for 2009 to be between \$18 billion and \$24 billion (2008: \$34.6 billion). The average annual construction demand for 2010 and 2011 is projected to be between \$20 billion and \$27 billion.

On 27 May 2009, in conjunction with the announcement of the Group’s full year results for FY2009, the Group announced that FY2010 revenues and profits were expected to be lower than those of FY2009 and FY2008. The Group’s 1HY10 revenues and profits were 54.6% and 46.6% lower respectively than those in 1HY09. The decrease in revenue was in line with BCA’s projection of lower demand for 2009.

The Group has broken new ground in Vietnam by securing a contract in excess of \$6.5 million in Ho Chi Minh City. The contract involves foundation work for residential apartments which are being developed by a listed Singapore developer. On this positive note, the Group will continue to seek out strategic partnerships with more Singapore-based companies engaged in projects overseas, so as to further expand and strengthen its overseas venture.

As at 3 November 2009, the Group’s order book stood at approximately \$107 million (3 August 2009: \$120 million). The Board of Directors remains optimistic that the Group will remain profitable for the remaining half of the financial year.

Consolidated Income Statement for the 2nd Quarter ended 30 September 2009

	Note	Group			Group		
		2nd Quarter ended		Change	6 months ended		Change
		30-Sep-09	30-Sep-08		30-Sep-09	30-Sep-08	
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue		70,373	177,284	(60.3)	151,731	334,130	(54.6)
Cost of sales	A	(55,834)	(148,349)	(62.4)	(122,073)	(276,377)	(55.8)
Gross profit		14,539	28,935	(49.8)	29,658	57,753	(48.6)
Other income	B	374	611	(38.8)	698	1,595	(56.2)
Distribution expenses		(34)	(69)	(50.7)	(47)	(74)	(36.5)
Administrative expenses		(269)	(378)	(28.8)	(519)	(900)	(42.3)
Other operating expenses	C	(4,031)	(10,384)	(61.2)	(9,720)	(20,494)	(52.6)
Results from operating activities		10,579	18,715	(43.5)	20,070	37,880	(47.0)
Finance income		11	11	0.0	19	31	(38.7)
Finance expenses		(1,317)	(1,355)	(2.8)	(2,462)	(2,721)	(9.5)
Net finance expenses	D	(1,306)	(1,344)	(2.8)	(2,443)	(2,690)	(9.2)
Share of profit/(loss) of associates		561	(70)	N.M.	528	(110)	N.M.
Profit before income tax		9,834	17,301	(43.2)	18,155	35,080	(48.2)
Income tax expense	E	(1,738)	(3,806)	(54.3)	(3,378)	(7,422)	(54.5)
Profit for the period		8,096	13,495	(40.0)	14,777	27,658	(46.6)
Attributable to:							
Equity holders of the Company		7,884	12,399	(36.4)	13,900	25,952	(46.4)
Minority interests		212	1,096	(80.7)	877	1,706	(48.6)
Profit for the period		8,096	13,495		14,777	27,658	

Consolidated Statement of Comprehensive Income for the 2nd Quarter ended 30 September 2009

	Group			Group		
	2nd Quarter ended		Change	6 months ended		Change
	30-Sep-09	30-Sep-08		30-Sep-09	30-Sep-08	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit for the period	8,096	13,495	(40.0)	14,777	27,658	(46.6)
Other comprehensive (expense)/income						
Translation differences relating to financial statements of foreign subsidiaries and associates	(102)	(76)	34.2	(112)	(421)	(73.4)
Translation differences relating to dilution of interests in subsidiaries	-	18	(100.0)	-	18	(100.0)
Translation differences relating to disposal of an associate	-	-	N.A.	-	64	(100.0)
Net change in fair value of available-for-sale financial assets transferred to income statement	-	-	N.A.	10	-	N.A.
Other comprehensive expense for the period, net of tax	(102)	(58)	75.9	(102)	(339)	(69.9)
Total comprehensive income for the period	7,994	13,437	(40.5)	14,675	27,319	(46.3)
Attributable to:						
Equity holders of the Company	7,786	12,341	(36.9)	13,807	25,613	(46.1)
Minority interests	208	1,096	(81.0)	868	1,706	(49.1)
Total comprehensive income for the period	7,994	13,437		14,675	27,319	

Balance Sheets as at 30 September 2009

DESCRIPTION	Note	Group		Company	
		30-Sep-09	31-Mar-09	30-Sep-09	31-Mar-09
		S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets					
Property, plant and equipment	1	128,298	128,418	10	13
Intangible assets		2,038	2,038	-	-
Investments in:					
- subsidiaries		-	-	58,170	57,347
- associates		776	-	-	-
Quoted shares, available-for-sale		-	2	-	-
Trade and other receivables		15,016	18,815	-	-
Other non-current assets		49	49	-	-
		146,177	149,322	58,180	57,360
Current assets					
Inventories	2	25,301	26,330	-	-
Land held for development and sale		10,829	10,995	-	-
Trade and other receivables		158,356	178,350	42,878	38,701
Cash and cash equivalents		28,914	29,887	1,540	4,210
		223,400	245,562	44,418	42,911
Total assets		369,577	394,884	102,598	100,271

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

DESCRIPTION	Note	Group		Company	
		30-Sep-09	31-Mar-09	30-Sep-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		107,778	97,660	31,487	23,476
		172,304	162,038	96,013	87,854
Minority interests		7,721	6,853	-	-
Total equity		180,025	168,891	96,013	87,854
Non-current liabilities					
Financial liabilities		33,654	40,699	1,972	5,083
Deferred tax liabilities		4,268	3,529	-	-
		37,922	44,228	1,972	5,083
Current liabilities					
Financial liabilities		32,226	31,987	3,052	2,973
Trade and other payables		99,706	125,476	1,561	4,361
Excess of progress billings over construction work-in-progress	3	10,827	12,234	-	-
Current tax payable		8,871	12,068	-	-
		151,630	181,765	4,613	7,334
Total liabilities		189,552	225,993	6,585	12,417
Total equity and liabilities		369,577	394,884	102,598	100,271

Consolidated Statement of Cash Flows for the 2nd Quarter ended 30 September 2009

	2nd Quarter ended		6 months ended	
	<u>30-Sep-09</u> S\$'000	<u>30-Sep-08</u> S\$'000	<u>30-Sep-09</u> S\$'000	<u>30-Sep-08</u> S\$'000
Operating activities				
Profit for the period	8,096	13,495	14,777	27,658
Adjustments for:				
Allowances (reversed)/made for:				
- foreseeable losses on construction work-in-progress	(260)	(22)	(341)	232
- foreseeable losses on land held for sale	(99)	300	166	300
- inventory obsolescence	-	324	-	324
Amortisation of:				
- intangible assets	-	59	-	118
- lease prepayment	-	63	-	126
Depreciation of property, plant and equipment	5,105	5,059	10,252	9,716
Impairment losses (reversed)/recognised on:				
- investment in and balance with an associate	(242)	-	(335)	80
- goodwill on consolidation	-	500	-	500
- property, plant and equipment	(1)	427	(126)	1,499
- trade, progress billing and other receivables	(525)	1,227	(1,446)	2,085
Inventories written off	(2)	-	-	-
Loss on dilution of interests in subsidiaries	-	125	-	125
Gain on disposal of:				
- an associate	-	-	-	(116)
- property, plant and equipment	(191)	(229)	(241)	(618)
Net finance expenses	1,306	1,344	2,443	2,690
Property, plant and equipment written off	20	4	20	59
Share of (profit)/loss of associates	(561)	70	(528)	110
Share option expense	339	446	894	1,039
Income tax expense	1,738	3,806	3,378	7,422
	14,723	26,998	28,913	53,349
Changes in working capital:				
Inventories	2,220	214	2,325	(5,978)
Trade, progress billing and other receivables	(5,037)	3,943	23,902	(14,222)
Trade and other payables	(2,147)	(294)	(25,518)	7,613
Cash generated from operations	9,759	30,861	29,622	40,762
Income taxes paid	(3,544)	(4,812)	(6,042)	(6,662)
Interest received	12	11	17	31
Cash flows from operating activities	6,227	26,060	23,597	34,131

Consolidated Statement of Cash Flows for the 2nd Quarter ended 30 September 2009 (cont'd)

	2nd Quarter ended		6 months ended	
	<u>30-Sep-09</u>	<u>30-Sep-08</u>	<u>30-Sep-09</u>	<u>30-Sep-08</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Investing activities				
Purchase of property, plant and equipment	(5,009)	(2,277)	(6,594)	(11,991)
Proceeds from disposal of:				
- interest in an associate	-	-	-	116
- property, plant and equipment	218	406	301	1,619
- quoted shares, available-for-sale	-	-	5	-
Acquisition of subsidiaries, net of cash acquired	-	-	-	(2,634)
Increase in non-trade amounts owing by:				
- associates	-	(70)	(9)	(199)
- related corporations	(2)	-	(2)	-
Cash flows from investing activities	(4,793)	(1,941)	(6,299)	(13,089)
Financing activities				
Interest paid	(888)	(1,307)	(1,906)	(2,483)
Dividend paid:				
- shareholders of the Company	(4,530)	(10,734)	(4,530)	(10,734)
Proceeds from:				
- bank loans	2,000	2,000	5,000	2,757
- capital contribution from a minority shareholder	-	13	-	13
- issue of shares under share option scheme	-	102	95	3,002
Repayment of:				
- bank loans	(1,139)	(4,369)	(3,712)	(9,222)
- finance lease liabilities	(6,346)	(5,050)	(12,909)	(9,502)
Decrease/(increase) in fixed deposits pledged	-	-	131	(228)
Cash flows from financing activities	(10,903)	(19,345)	(17,831)	(26,397)
Net (decrease)/increase in cash and cash equivalents	(9,469)	4,774	(533)	(5,355)
Cash and cash equivalents at beginning of the period	34,674	10,060	25,749	20,188
Effect of exchange rate changes on balances held in foreign currencies	(9)	(5)	(20)	(4)
Cash and cash equivalents at end of the period	25,196	14,829	25,196	14,829
Comprising:				
Cash and cash equivalents	28,914	22,262	28,914	22,262
Bank overdrafts	(3,620)	(7,205)	(3,620)	(7,205)
	25,294	15,057	25,294	15,057
Less:				
Fixed deposits pledged as security for bank facilities	(98)	(228)	(98)	(228)
Cash and cash equivalents in the consolidated cash flow statement	25,196	14,829	25,196	14,829

Statement of Changes in Equity for the 2nd Quarter ended 30 September 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 July 2008	62,593	17,798	-	116	-	2,013	(388)	125	63,902	146,159	5,326	151,485
Total comprehensive (expense)/income for the period	-	-	-	-	-	-	(58)	-	12,399	12,341	1,096	13,437
Issue of shares under share option scheme	162	-	-	-	-	(60)	-	-	-	102	-	102
Conversion of redeemable convertible notes	872	-	-	-	-	-	-	(62)	-	810	-	810
Value of employee services received for issue of share options	-	-	-	-	-	446	-	-	-	446	-	446
Capital contribution by minority shareholder of a subsidiary	-	-	-	-	-	-	-	-	-	-	13	13
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	33	33
Dilution of interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	125	125
Dividend paid in respect of financial year 2008												
- Final dividend of 0.5 cents per share (tax-exempt one-tier)	-	-	-	-	-	-	-	-	(5,963)	(5,963)	-	(5,963)
- Special dividend of 0.4 cents per share (tax-exempt one-tier)	-	-	-	-	-	-	-	-	(4,771)	(4,771)	-	(4,771)
At 30 September 2008	63,627	17,798	-	116	-	2,399	(446)	63	65,567	149,124	6,593	155,717
At 1 July 2009	64,526	17,798	(151)	116	-	4,071	(652)	-	83,001	168,709	7,513	176,222
Total comprehensive (expense)/income for the period	-	-	-	-	-	-	(98)	-	7,884	7,786	208	7,994
Value of employee services received for issue of share options	-	-	-	-	-	339	-	-	-	339	-	339
Dividend paid in respect of financial year 2009												
- Final dividend of 0.37 cents per share (tax-exempt one-tier)	-	-	-	-	-	-	-	-	(4,530)	(4,530)	-	(4,530)
At 30 September 2009	64,526	17,798	(151)	116	-	4,410	(750)	-	86,355	172,304	7,721	180,025

Statement of Changes in Equity for the 2nd Quarter ended 30 September 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 July 2008	62,593	17,798	-	2,013	125	1,351	83,880
Total comprehensive income for the period	-	-	-	-	-	10,738	10,738
Issue of shares under share option scheme	162	-	-	(60)	-	-	102
Conversion of redeemable convertible notes	872	-	-	-	(62)	-	810
Value of employee services received for issue of share options	-	-	-	446	-	-	446
Dividend paid in respect of financial year 2008							
- Final dividend of 0.5 cents per share (tax-exempt one-tier)	-	-	-	-	-	(5,963)	(5,963)
- Special dividend of 0.4 cents per share (tax-exempt one-tier)	-	-	-	-	-	(4,771)	(4,771)
At 30 September 2008	63,627	17,798	-	2,399	63	1,355	85,242
At 1 July 2009	64,526	17,798	(151)	4,071	-	2,045	88,289
Total comprehensive expense for the period	-	-	-	-	-	11,915	11,915
Value of employee services received for issue of share options	-	-	-	339	-	-	339
Dividend paid in respect of financial year 2009							
- Final dividend of 0.37 cents per share (tax-exempt one-tier)	-	-	-	-	-	(4,530)	(4,530)
At 30 September 2009	64,526	17,798	(151)	4,410	-	9,430	96,013

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 second quarter results for the period from 1 July 2009 to 30 September 2009 ("2Q10") with comparative figures for the 3 months period from 1 July 2008 to 30 September 2008 ("2Q09").

A Cost of sales

	Group			
	2nd Quarter ended		6 months ended	
	30/09/2009	30/09/2008	30/09/2009	30/09/2008
	S\$'000	S\$'000	S\$'000	S\$'000

Cost of sales includes the following items:

Allowances (reversed)/made for:

- foreseeable losses on construction work-in-progress	(260)	(22)	(341)	232
- foreseeable losses on land held for sale	(99)	300	166	300
- inventory obsolescence	-	324	-	324
Depreciation of property, plant and equipment	4,891	4,797	9,820	9,096
Impairment losses (reversed)/recognised on property, plant and equipment ⁽¹⁾	(1)	427	(126)	1,499
Inventories written off	(2)	-	-	-
Property, plant and equipment written off	6	-	6	-

⁽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			
	2nd Quarter ended		6 months ended	
	30/09/2009	30/09/2008	30/09/2009	30/09/2008
	S\$'000	S\$'000	S\$'000	S\$'000

Other income includes the following items:

Gain on disposal of:				
- an associate ⁽²⁾	-	-	-	116
- property, plant and equipment	191	229	241	618

⁽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			
	2nd Quarter ended		6 months ended	
	30/09/2009	30/09/2008	30/09/2009	30/09/2008
	S\$'000	S\$'000	S\$'000	S\$'000

Other operating expenses includes the following items:

Amortisation of:				
- intangible assets ⁽³⁾	-	59	-	118
- lease prepayment	-	63	-	126
Bad debts written off	-	46	59	46
Depreciation of property, plant and equipment	214	262	432	620
Exchange loss/(gain)	241	(109)	375	(66)
Impairment losses (reversed)/recognised on:				
- investment in and balance with an associate	(242)	-	(335)	80
- goodwill on consolidation	-	500	-	500
- trade, progress billing & other receivables ⁽⁴⁾	(525)	1,227	(1,446)	2,085
Loss on dilution of interests in subsidiaries	-	125	-	125
Property, plant and equipment written off	14	4	14	59
Share option expense	339	446	894	1,039

⁽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 1HY10 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			
	2nd Quarter ended		6 months ended	
	30/09/2009	30/09/2008	30/09/2009	30/09/2008
	S\$'000	S\$'000	S\$'000	S\$'000
Current tax expense				
- current period	867	4,635	2,524	8,199
- under provided in prior years	134	-	134	949
	1,001	4,635	2,658	9,148
Deferred tax expense/(income)				
- current period	737	(829)	720	(1,145)
- over provided in prior years	-	-	-	(581)
	737	(829)	720	(1,726)
	1,738	3,806	3,378	7,422

Notes to the Consolidated Income Statement (cont'd)

F Interested person transactions

Interested person transactions carried out during the 2nd quarter ended 30 September 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\$919,000
Tat Hong Heavyequipment (Pte.) Ltd. ⁽¹⁾	NIL	S\$2,640,000

Note:

⁽¹⁾ CMC Construction Pte Ltd and Tat Hong Heavyequipment (Pte.) Ltd. are related corporations 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 30/09/2009 S\$'000	As at 31/03/2009 S\$'000
<u>Cost</u>		
Opening balance	190,744	139,956
Additions	10,423	53,891
Assets acquired through business combinations	-	2,000
Disposal of a subsidiary	-	(110)
Disposals/Write-offs	(6,222)	(4,462)
Translation differences on consolidation	(411)	(531)
Closing balance	<u>194,534</u>	<u>190,744</u>
<u>Accumulated depreciation and impairment losses</u>		
Opening balance	62,326	37,544
Additions	10,126	27,090
Disposal of a subsidiary	-	(86)
Disposals/Write-offs	(6,142)	(2,168)
Translation differences on consolidation	(74)	(54)
Closing balance	<u>66,236</u>	<u>62,326</u>
Carrying amount	<u>128,298</u>	<u>128,418</u>

2 Inventories

	Group	
	As at 30/09/2009 S\$'000	As at 31/03/2009 S\$'000
Equipment and machinery held for sale	17,336	19,235
Spare parts	3,345	2,500
Materials on sites	4,620	4,850
	<u>25,301</u>	<u>26,585</u>
Allowance for inventory obsolescence	-	(255)
	<u>25,301</u>	<u>26,330</u>

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

	Group	
	As at 30/09/2009 S\$'000	As at 31/03/2009 S\$'000
Cost incurred and attributable profit	1,079,284	1,035,197
Allowance for foreseeable losses	(1,335)	(1,676)
	<u>1,077,949</u>	<u>1,033,521</u>
Progress billings	(1,088,776)	(1,045,755)
	<u>(10,827)</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 30/09/2009	
Secured	Unsecured
S\$'000	S\$'000
37,489	-

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

Amount repayable after one year

As at 30/09/2009	
Secured	Unsecured
S\$'000	S\$'000
33,654	-

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\$71.1 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\$5.3 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 September 2009, the issued and fully paid-up share capital of the Company was 1,226,243,725 (30 June 2009: 1,226,243,725) ordinary shares.

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

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

As at 30 September 2009, there were outstanding share options for conversion into 89,870,000 (30 June 2009: 90,730,000) ordinary shares under the CSC Executive Share Option Scheme 2004.

As at 30 September 2009, there were no outstanding Convertible Notes for conversion into ordinary shares (30 September 2008: 17,736,416 ordinary shares).

Audit

The Group's figures have been reviewed by the Company's auditors in accordance with Singapore Standard on Review Engagements 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*".

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

	2nd Quarter ended		6 months ended	
	30/09/2009	30/09/2008	30/09/2009	30/09/2008
Based on the weighted average number of ordinary shares on issue	0.64 cents	1.04 cents	1.14 cents	2.20 cents

	2nd Quarter ended		6 months ended	
	30/09/2009	30/09/2008	30/09/2009	30/09/2008
	S\$'000	S\$'000	S\$'000	S\$'000
Basic earnings per ordinary share is based on: Net profit attributable to ordinary shareholders	7,884	12,399	13,900	25,952

	2nd Quarter ended		6 months ended	
	30/09/2009	30/09/2008	30/09/2009	30/09/2008
	Number of shares			
Weighted average number of: Issued ordinary shares at beginning of the period	1,226,243,725	1,191,131,781	1,225,243,725	1,147,864,781
Ordinary shares issued arising from exercise of share options	-	1,019,826	644,809	30,033,049
Ordinary shares issued arising from conversion of convertible notes	-	192,787	-	96,920
Ordinary shares held as treasury shares	(1,900,000)	-	(1,900,000)	-
Weighted average number of ordinary shares used to compute earnings per ordinary share	1,224,343,725	1,192,344,394	1,223,988,534	1,177,994,750

(b) Diluted earnings per ordinary share

	2nd Quarter ended		6 months ended	
	30/09/2009	30/09/2008	30/09/2009	30/09/2008
On a fully diluted basis	0.64 cents	1.01 cents	1.13 cents	2.13 cents

	2nd Quarter ended		6 months ended	
	30/09/2009	30/09/2008	30/09/2009	30/09/2008
	S\$'000	S\$'000	S\$'000	S\$'000
Diluted earnings per ordinary share is based on: Net profit attributable to ordinary shareholders	7,884	12,399	13,900	25,952
Imputed interest on convertible notes, net of tax effect	-	20	-	41
Net profit attributable to ordinary shareholders, adjusted for the effect of conversion of convertible notes	7,884	12,419	13,900	25,993

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:-

	2nd Quarter ended		6 months ended	
	30/09/2009	30/09/2008	30/09/2009	30/09/2008
	Number of shares			
Weighted average number of:				
Ordinary shares used in the calculation of basic earnings per ordinary share	1,224,343,725	1,192,344,394	1,223,988,534	1,177,994,750
Potential ordinary shares issuable under exercise of share options	10,041,451	3,146,339	4,511,835	4,144,482
Potential ordinary shares issuable under conversion of convertible notes	-	35,280,050	-	35,375,917
Weighted average number of ordinary issued and potential shares assuming full conversion	<u>1,234,385,176</u>	<u>1,230,770,783</u>	<u>1,228,500,369</u>	<u>1,217,515,149</u>

Net Asset Value

	<u>As at 30/09/2009</u>	<u>As at 31/03/2009</u>
Group		
Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of the period reported on	14.7 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	7.8 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 September 2009 of 1,224,343,725 (31 March 2009: 1,223,343,725) ordinary shares.

Dividend

The Board of Directors is pleased to recommend a tax exempt one-tier ordinary dividend of 0.20 cents per share.

	2Q10	2Q09
Name of dividend	Ordinary	Ordinary
Dividend type	Cash	Cash
Dividend rate per ordinary share	0.20 cents	0.23 cents
Tax rate	Tax exempt	Tax exempt

Total proposed ordinary dividend payable will be S\$2,449,000 (2Q09: S\$2,784,000), which is estimated based on share capital of 1,224,343,725 ordinary shares as at 30 September 2009 (30 September 2008: 1,210,396,197 ordinary shares).

NOTICE IS HEREBY GIVEN that the Transfer Books and the Register of Members of the Company will be closed on 10 December 2009 for the preparation of the dividend warrants. Duly completed transfers received by the Share Registrars, M&C Services Private Limited, 138 Robinson Road, #17-00 The Corporate Office, Singapore 068906 up to 5.00 p.m. on 9 December 2009 (the "Books Closure Date") will be registered to determine shareholders' entitlements to the ordinary dividend. Subject as aforesaid, shareholders whose Securities Accounts with The Central Depository (Pte) Limited ("CDP") are credited with ordinary shares in the capital of the Company as at 5.00p.m. on the Books Closure Date will be entitled to the ordinary dividend.

The said ordinary dividend will be paid by the Company to CDP which will in turn distribute the dividend entitlements to such shareholders in accordance with its practice.

The ordinary dividend will be paid on 18 December 2009 to members on the Register as at 9 December 2009.

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
9 November 2009