



CSC HOLDINGS LIMITED

(Company Registration Number: 199707845E)

**Financial Statements &
Dividend Announcement
for the Second Quarter Ended
30 September 2010**

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Review of the Performance of the Group

CONSOLIDATED INCOME STATEMENT

1Q11 – for the 3 months ended 30 June 2010

2Q11 – for the 3 months ended 30 September 2010

2Q10 – for the 3 months ended 30 September 2009

1H11 – for the 6 months ended 30 September 2010

1H10 – for the 6 months ended 30 September 2009

Review of Results for the Second Quarter Ended 30 September 2010

	2Q11 \$'000	1Q11 \$'000	Change %	1H11 \$'000	1H10 \$'000	Change %
Revenue	78,357	77,677	0.9	156,034	151,731	2.8
Gross Profit	11,165	9,307	20.0	20,472	29,658	(31.0)
Other Income	1,290	1,105	16.7	2,395	698	243.1
Operating Expenses	(6,673)	(5,192)	28.5	(11,865)	(10,286)	15.4
Net Finance Expenses	(878)	(771)	13.9	(1,649)	(2,443)	(32.5)
Share of Profit of Associates	397	648	(38.7)	1,045	528	97.9
Profit before Income Tax	5,301	5,097	4.0	10,398	18,155	(42.7)
Profit for the period	4,428	4,149	6.7	8,577	14,777	(42.0)

Revenue

Revenue for 2Q11 increased sequentially by some 0.9% or \$77.7 million to \$78.4 million. The increase was due to the higher volume of work arising from contracts secured in 1Q11. The Group's industrial property project in Tuas contributed \$0.6 million in 2Q11 (1Q11: \$3.6 million) in revenue.

Revenue for 2Q11 was also higher than 2Q10 by some \$8.0 million or 11.3%. The Group recorded higher revenues of \$4.3 million in 1H11 as compared to 1H10, a 2.8% increase. These reflects the recovery of the construction sector, particularly the foundation and geotechnical engineering field, in the current financial year, led largely by infrastructure and public housing projects.

Gross Profit

Gross profit margins for 2Q11 was higher as compared to 1Q11 at 14.2% (1Q11: 12.0%). As a result of higher revenue for 2Q11, gross profits increased sequentially to \$11.2 million from \$9.3 million.

Compared to 2Q10, gross profit margin for 2Q11 decreased by 23.2% or \$14.5 million to \$11.2 million. Gross profit margin for 1H11 was 13.1% as compared to 19.5% in 1H10. Intense competition in the last 1 year had eroded margins for new projects secured. However, with the recovery of the construction sector, margins for the last quarter has held firm.

Other Income

In 2Q11, the group registered other income of \$1.3 million (1Q11: \$1.1 million). This includes a \$0.5 million gain from the disposal of some old equipment as compared to \$0.2 million gain from the disposal of an office premise in 1Q11.

Other income for 2Q11 and 1H11 was also higher than their corresponding periods. The higher income was mainly due to higher revenue generated from these other sources such as disposal of some old equipment of \$0.5 million and \$0.7 million (2Q10: \$0.2 million, 1H10: \$0.2 million) and rental income of \$0.3 million and \$0.6 million (2Q10: \$0.01 million, 1H11: \$0.03 million), from equipment and machinery rented out to third parties.

Operating Expenses

	2Q11 \$'000	1Q11 \$'000	Change %	1H11 \$'000	1H10 \$'000	Change %
Other Operating Expenses	6,058	5,328	13.7	11,386	10,246	11.1
Reversal of Impairment Losses on Associate	-	-	NA	-	(335)	(100.0)
Exchange Loss/(Gain)	615	(136)	(552.2)	479	375	27.7
Operating Expenses	6,673	5,192	28.5	11,865	10,286	15.4
Other Operating Expenses /Revenue	7.7%	6.9%		7.3%	6.8%	

Operating Expenses (which comprises Administrative, Distribution and Other Operating Expenses) in 2Q11 were sequentially higher at \$6.7 million (1Q11: \$5.2 million) in line with the increased activities in 2Q11 and higher distribution cost incurred for the sale of equipment in our equipment trading business.

Other Operating Expenses to Revenue Ratio in 2Q11 was 0.8% higher than that incurred in 1Q11. Other Operating Expenses to Revenue Ratio was 7.7% in 2Q11 (1Q11: 6.9%).

Operating Expenses for 2Q11 and 1H11 was also higher than those in 2Q10 and 1H10 respectively.

Net Finance Expenses

	2Q11 \$'000	1Q11 \$'000	Change %	1H11 \$'000	1H10 \$'000	Change %
Interest Income	76	19	300.0	95	19	400
Interest Expenses	(912)	(876)	4.1	(1,788)	(1,902)	(6.0)
Imputed Interest on Non- Current Retention Sums	(42)	86	(148.8)	44	(560)	(107.9)
Net Finance Expenses	(878)	(771)	13.9	(1,649)	(2,443)	(32.5)

Net finance expenses for the Group in 2Q11 were comparable with 1Q11.

The Group's net finance expenses for 2Q11 were \$0.9 million and 32.8% lower than 2Q10. 1H11 net finance expenses were also \$0.8 million and 32.5% lower. The significant decline was mainly due to the net repayment of the Group's bank borrowings.

The Group recorded Net Finance Expenses of \$0.9 million of which \$0.04 million relates to a net accounting loss 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 expenses were relatively unchanged from 1Q11. Compared to 1H10, interest expenses declined 6.0% due to lower average debt levels during the current period.

Share of Profit of Associates

The Group's share of profits from its associate was \$0.4 million in 2Q11 (1Q11: \$ 0.6 million). The share of profits was slightly lower than those recorded in 2Q10 of \$0.6 million.

For 1H11, the total share of profits was \$1.0 million which was significantly higher than those in 1H10 as there was share of loss recorded in 1Q10 last financial year.

Profit for the period

Taking all the factors above into consideration, Profit for the period and Earnings Per Share for 2Q11 was \$4.4 million (1Q11: \$4.1 million) and 0.26 cents respectively (1Q11: 0.27 cents per share).

Compared to 2Q10 and 1H10, the results reported by the Group was lower mainly due to the lower gross profit margins from its current projects.

BALANCE SHEETS

Property, Plant and Equipment

As at 30 September 2010, net book value for property, plant and equipment was \$134.4 million (31 March 2010: \$126.1 million). The changes was due to an investment of \$21.0 million in 1H11 in additional ground engineering equipment set-off by a depreciation charge of \$11.6 million and \$1.1 million disposal of older equipment.

Non-current Trade and Other Receivables

Non-current trade and other receivables as at 30 September 2010 amounts to \$8.3 million (31 March 2010: \$15.0 million). These are mainly retention sums, due for collection 12 months after the balance sheet date. As at 30 September 2010, some of these have been reclassified to current assets as these have become due and payable within 12 months.

Net Current Assets

The Group's net current assets increased to \$79.7 million from \$73.4 million as at 31 March 2010. The current ratio (current assets / current liabilities) stands at 1.50 as at 30 September 2010 (31 March 2010: 1.52).

The Group's inventories as at 30 September 2010 was \$29.5 million (31 March 2010: \$ 23.8 million).

Development properties decreased to \$9.2 million (31 March 2010: \$12.4 million) due to the recognition of development costs to the income statement.

Trade and other receivables increased to \$165.9 million (31 March 2010: \$146.3 million) due to the higher volume of business activity in 1H11.

Trade payables and accruals amounting to \$113.1 million (31 March 2010: \$94.3 million) also increased in tandem with increased business activity in 1H11 under review.

Borrowings

As at 30 September 2010, the Group's total borrowings was \$80.3 million (31 March 2010: \$72.3 million). The Debt Equity Ratio of the Group was 0.41 (31 March 2010: 0.38).

In 1H11, the Group drew down \$6.8 million and \$15.1 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 1H11 amounted to \$4.2 million and \$13.4 million respectively.

Equity and Net Asset Value

Total equity increased to \$193.6 million (31 March 2010: \$189.8 million) arising mainly from the accumulation of profit for 1H11. As at 30 September 2010 Group retained earnings increased to \$96.5 million, from \$94.8 million as at 31 March 2010.

As at 30 September 2010, Net Asset Value per ordinary share was 15.8 cents (31 March 2010: 15.5 cents).

CASH FLOW

	2Q11 \$'000	1Q11 \$'000	Change %	1H11 \$'000	1H10 \$'000	Change %
Cash Flow from Operating Activities	20,118	5,555	262.16	25,673	23,597	8.80
Cash Flow from Investing Activities	(1,253)	(2,011)	(37.69)	(3,264)	(6,299)	(48.18)
Cash Flow from Financing Activities	(10,332)	(10,841)	(4.70)	(21,173)	(17,831)	18.74
Cash and Cash Equivalents	28,198	19,599	43.87	28,198	25,196	11.91

Cash and cash equivalents as at 30 September 2010 was \$28.2 million (30 June 2010: \$19.6 million).

Cash Flow from Operating Activities

The sequential increase in 2Q11 cashflow from operating activities was due to improved working capital management. In addition, the Group has finalised and finalised a large number of older projects which also led to the collection of retention monies during 2Q11.

1H11 cashflow from operating activities was comparable to 1H10.

Cash Flow from Investing Activities

Net cash outflow from investing activities for 2Q11 was \$1.3 million (1Q11: \$2.0 million).

The Group had paid \$3.5 million (2Q10: \$5.0 million) to acquire equipment to replace older equipment in 2Q10. This led to an increase in net cash outflow from investing activities as compared to \$4.8 million in 2Q10.

The Group's net cash outflow for 1H11 was \$3.3 million as compared to \$6.3 million in 1H10. The improvement in net cash outflow was a result of collections from an associate of \$1.6 million and proceeds received from the disposal of some old equipment amounting to \$2.5 million. This increase was partially set-off by cash outflows for the acquisition of ground engineering equipments amounting to \$7.4 million in 1H11.

Cash Flow from Financing Activities

Net cash outflow from financing activities amounted to \$10.3 million (1Q11: \$10.8 million) in 2Q11. The Group drew down some \$4.4 million of term loans while repaying approximately \$1.8 million of loans and \$6.8 million in hire purchase loans.

For 1H11, net cash outflow from financing activities was \$21.2 million (1H10: \$17.8 million), which took into account \$6.8 million of new bank borrowings (1H10: \$5.0 million), repayment of \$4.2 million and \$13.4 million of bank borrowings and hire purchase loans respectively (1H10: \$3.7 million and \$12.9 million).

Final dividends (relating to FY10) amounting to \$4.9 million (1H10: \$4.5 million) were also paid out to the shareholders of the Company in September 2010.

Outlook

For 2010, Singapore's economy remains firmly on track to deliver a sparkling performance, despite a slowdown in growth rate for the third quarter. In tandem with this, advance estimates by the Ministry of Trade and Industry also show that the construction sector expanded by 7% in the third quarter of calendar year 2010 compared to the same period a year ago.

In the past four months alone, the Group had secured more than \$120 million worth of contracts. Some of these projects include the Changi Motorsports Hub, the redevelopment of Orchard Emerald, ITE College Central and Headquarters in Ang Mo Kio, a new Sentosa Gateway Tunnel in the HarbourFront area and redevelopment works for the Royal Thai Embassy at Orchard Road. Beyond Singapore, the foundation contracts secured include the National Cancer Centre in Kuala Lumpur, the second Penang Bridge, the Singapore International School in Bangkok, Thailand and bored piling works for an industrial complex in Long An Province near Ho Chi Minh City, Vietnam.

Demand seems to be improving as a steady stream of construction projects are expected to start in 2011. On the public sector side, these include Stage 3 of the MRT Downtown Line and the continued construction of more public housing in line with HDB's building programme, school construction and upgrading programme and various other infrastructure projects.

Along with the recovering economy, several major private sector projects such as the South Beach mixed commercial development, the Singapore Sports Hub and other private residential projects are expected to commence in 2011. The Group will actively participate in submitting tenders for all these upcoming public and private sector projects.

As at 1 November 2010, the Group's order book stands at a healthy \$210 million (3 August 2010: \$180 million).

The Board of Directors expects the Group's performance in the second half of the financial year to be better than 1H11.

Consolidated Income Statement for the 2nd Quarter ended 30 September 2010

	Note	Group			Group		
		2nd Quarter ended		Change	6 months ended		Change
		30-Sep-10	30-Sep-09		30-Sep-10	30-Sep-09	
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue		78,357	70,373	11.3	156,034	151,731	2.8
Cost of sales	A	(67,192)	(55,834)	20.3	(135,562)	(122,073)	11.0
Gross profit		11,165	14,539	(23.2)	20,472	29,658	(31.0)
Other income	B	1,290	374	244.9	2,395	698	243.1
Distribution expenses		(548)	(34)	1,511.8	(950)	(47)	1,921.3
Administrative expenses		(260)	(269)	(3.3)	(485)	(519)	(6.6)
Other operating expenses	C	(5,865)	(4,031)	45.5	(10,430)	(9,720)	7.3
Results from operating activities		5,782	10,579	(45.3)	11,002	20,070	(45.2)
Finance income		34	11	209.1	139	19	631.6
Finance expenses		(912)	(1,317)	(30.8)	(1,788)	(2,462)	(27.4)
Net finance expenses	D	(878)	(1,306)	(32.8)	(1,649)	(2,443)	(32.5)
Share of profit of associates		397	561	(29.2)	1,045	528	97.9
Profit before income tax		5,301	9,834	(46.1)	10,398	18,155	(42.7)
Income tax expense	E	(873)	(1,738)	(49.8)	(1,821)	(3,378)	(46.1)
Profit for the period		4,428	8,096	(45.3)	8,577	14,777	(42.0)
Attributable to:							
Owners of the Company		3,237	7,884	(58.9)	6,531	13,900	(53.0)
Non-controlling interests		1,191	212	461.8	2,046	877	133.3
Profit for the period		4,428	8,096		8,577	14,777	

Gross profit margin

14.2% 20.7%

13.1% 19.5%

Net profit margin

5.7% 11.5%

5.5% 9.7%

Consolidated Statement of Comprehensive Income for the 2nd Quarter ended 30 September 2010

	Group			Group		
	2nd Quarter ended		Change	6 months ended		Change
	30-Sep-10	30-Sep-09		30-Sep-10	30-Sep-09	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit for the period	4,428	8,096	(45.3)	8,577	14,777	(42.0)
Other comprehensive income/(expense)						
Translation differences relating to financial statements of foreign subsidiaries and associates	130	(102)	(227.5)	175	(112)	(256.3)
Fair value of available-for-sale financial assets transferred to income statement upon disposal	-	-	N.A.	-	10	N.A.
Other comprehensive income for the period, net of tax	130	(102)	N.A.	175	(102)	N.A.
Total comprehensive income for the period	4,558	7,994	(43.0)	8,752	14,675	(40.4)
Attributable to:						
Owners of the Company	3,373	7,786	(56.7)	6,713	13,807	(51.4)
Non-controlling interests	1,185	208	469.7	2,039	868	134.9
Total comprehensive income for the period	4,558	7,994		8,752	14,675	

Balance Sheets as at 30 September 2010

DESCRIPTION	Note	Group		Company	
		30-Sep-10	31-Mar-10	30-Sep-10	31-Mar-10
		S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets					
Property, plant and equipment	1	134,415	126,096	5	8
Intangible assets		3,020	3,021	-	-
Investments in:					
- subsidiaries		-	-	62,807	62,821
- associates		3,986	4,541	1,722	3,322
Trade and other receivables		8,335	14,954	-	-
Other non-current assets		49	49	-	-
Deferred tax asset		-	-	27	27
		149,805	148,661	64,561	66,178
Current assets					
Inventories	2	29,548	23,758	-	-
Development properties		9,202	12,431	-	-
Assets classified as held for sale	1	-	593	-	-
Trade and other receivables		165,890	146,254	54,003	47,303
Cash and cash equivalents		34,161	31,944	5,391	6,503
		238,801	214,980	59,394	53,806
Total assets		388,606	363,641	123,955	119,984

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

DESCRIPTION	Note	Group		Company	
		30-Sep-10	31-Mar-10	30-Sep-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		117,746	116,028	44,829	50,716
		182,379	180,554	109,462	115,242
Non-controlling interests		11,240	9,246	-	-
Total equity		193,619	189,800	109,462	115,242
Non-current liabilities					
Financial liabilities		29,233	26,138	-	-
Deferred tax liabilities		6,636	6,144	-	-
		35,869	32,282	-	-
Current liabilities					
Financial liabilities		32,968	34,103	1,054	2,792
Trade and other payables		113,057	94,342	13,424	1,944
Excess of progress billings over construction work-in-progress	3	10,564	10,828	-	-
Current tax payable		2,529	2,286	15	6
		159,118	141,559	14,493	4,742
Total liabilities		194,987	173,841	14,493	4,742
Total equity and liabilities		388,606	363,641	123,955	119,984

Consolidated Statement of Cash Flows for the 2nd Quarter ended 30 September 2010

	2nd Quarter ended		6 months ended	
	<u>30-Sep-10</u>	<u>30-Sep-09</u>	<u>30-Sep-10</u>	<u>30-Sep-09</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Profit for the period	4,428	8,096	8,577	14,777
Adjustments for:				
Allowances made/(reversed) for:				
- foreseeable losses on construction work-in-progress	3	(260)	3	(341)
- foreseeable losses on land held for sale	-	(99)	-	166
Depreciation of property, plant and equipment	5,898	5,105	11,593	10,252
Impairment losses reversed on:				
- property, plant and equipment	-	(1)	(1)	(126)
- investment in and balance with an associate	-	(242)	-	(335)
- trade, progress billing and other receivables	(313)	(525)	(845)	(1,446)
Inventories written back	-	(2)	(341)	-
Gain on disposal of property, plant and equipment	(454)	(191)	(684)	(241)
Net finance expenses	878	1,306	1,649	2,443
Property, plant and equipment written off	192	20	235	20
Share of profit of associates	(397)	(561)	(1,045)	(528)
Share option expense	90	339	180	894
Income tax expense	873	1,738	1,821	3,378
	11,198	14,723	21,142	28,913
Changes in working capital:				
Inventories	(1,977)	2,220	(4,039)	2,325
Development properties	482	-	3,228	-
Trade, progress billing and other receivables	838	(5,037)	(13,038)	23,902
Trade and other payables	10,002	(2,147)	19,109	(25,518)
Cash generated from operations	20,543	9,759	26,402	29,622
Income taxes paid	(501)	(3,544)	(824)	(6,042)
Interest received	76	12	95	17
Cash flows from operating activities	20,118	6,227	25,673	23,597

Consolidated Statement of Cash Flows for the 2nd Quarter ended 30 September 2010 (cont'd)

	2nd Quarter ended		6 months ended	
	30-Sep-10	30-Sep-09	30-Sep-10	30-Sep-09
	S\$'000	S\$'000	S\$'000	S\$'000
Investing activities				
Purchase of property, plant and equipment	(3,455)	(5,009)	(7,360)	(6,594)
Proceeds from disposal of:				
- property, plant and equipment	1,083	218	2,506	301
- quoted shares, available-for-sale	-	-	-	5
Decrease/(increase) in non-trade amounts owing by:				
- associates	1,120	-	1,591	(9)
- related corporations	(1)	(2)	(1)	(2)
Cash flows from investing activities	(1,253)	(4,793)	(3,264)	(6,299)
Financing activities				
Interest paid	(946)	(888)	(1,830)	(1,906)
Dividend paid:				
- owners of the Company	(4,894)	(4,530)	(4,894)	(4,530)
- non-controlling interest of a subsidiary	(45)	-	(45)	-
Proceeds from:				
- bank loans	4,380	2,000	6,843	5,000
- issue of shares under share option scheme	-	-	68	95
Purchase of treasury shares	(204)	-	(242)	-
Repayment of:				
- bank loans	(1,835)	(1,139)	(4,183)	(3,712)
- finance lease liabilities	(6,846)	(6,346)	(13,448)	(12,909)
Decrease/(increase) in fixed deposits pledged	58	-	(3,442)	131
Cash flows from financing activities	(10,332)	(10,903)	(21,173)	(17,831)
Net increase/(decrease) in cash and cash equivalents	8,533	(9,469)	1,236	(533)
Cash and cash equivalents at beginning of the period	19,599	34,674	27,139	25,749
Effect of exchange rate changes on balances held in foreign currencies	66	(9)	(177)	(20)
Cash and cash equivalents at end of the period	28,198	25,196	28,198	25,196
Comprising:				
Cash and cash equivalents	34,161	28,914	34,161	28,914
Bank overdrafts	(2,423)	(3,620)	(2,423)	(3,620)
	31,738	25,294	31,738	25,294
Less:				
Fixed deposits pledged as security for bank facilities	(3,540)	(98)	(3,540)	(98)
Cash and cash equivalents in the consolidated cash flow statement	28,198	25,196	28,198	25,196

Statements of Changes in Equity for the 2nd Quarter ended 30 September 2010

<u>Group</u>	Share capital	Capital reserve	Reserve for own shares	Reserve on consolidation	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
At 1 July 2009	64,526	17,798	(151)	116	4,071	(652)	83,001	168,709	7,513	176,222
Total comprehensive income for the period										
Profit or loss	-	-	-	-	-	-	7,884	7,884	212	8,096
Other comprehensive expense										
Translation differences relating to financial statements of foreign subsidiaries and associates	-	-	-	-	-	(98)	-	(98)	(4)	(102)
Total other comprehensive expense	-	-	-	-	-	(98)	-	(98)	(4)	(102)
Total comprehensive income for the period	-	-	-	-	-	(98)	7,884	7,786	208	7,994
Transactions with owners, recorded directly in equity										
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)
Total transactions with owners	-	-	-	-	339	-	(4,530)	(4,191)	-	(4,191)
At 30 September 2009	64,526	17,798	(151)	116	4,410	(750)	86,355	172,304	7,721	180,025
At 1 July 2010	64,633	17,798	(330)	116	3,849	(178)	98,126	184,014	10,100	194,114
Total comprehensive income for the period										
Profit or loss	-	-	-	-	-	-	3,237	3,237	1,191	4,428
Other comprehensive income/(expense)										
Translation differences relating to financial statements of foreign subsidiaries and associates	-	-	-	-	-	136	-	136	(6)	130
Total other comprehensive income/(expense)	-	-	-	-	-	136	-	136	(6)	130
Total comprehensive income for the period	-	-	-	-	-	136	3,237	3,373	1,185	4,558
Transactions with owners, recorded directly in equity										
Forfeiture of share options	-	-	-	-	(18)	-	18	-	-	-
Value of employee services received for issue of share options	-	-	-	-	90	-	-	90	-	90
Purchase of treasury shares	-	-	(204)	-	-	-	-	(204)	-	(204)
Dividend paid in respect of financial year 2010 - Final dividend of 0.40 cents per share (tax-exempt one-tier)	-	-	-	-	-	-	(4,894)	(4,894)	-	(4,894)
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	(45)	(45)
Total transactions with owners	-	-	(204)	-	72	-	(4,876)	(5,008)	(45)	(5,053)
At 30 September 2010	64,633	17,798	(534)	116	3,921	(42)	96,487	182,379	11,240	193,619

Statements of Changes in Equity for the 2nd Quarter ended 30 September 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 July 2009	64,526	17,798	(151)	4,071	2,045	88,289
Total comprehensive income for the period	-	-	-	-	11,915	11,915
Transactions with owners, recorded directly in equity						
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)
Total transactions with owners	-	-	-	339	(4,530)	(4,191)
At 30 September 2009	64,526	17,798	(151)	4,410	9,430	96,013
At 1 July 2010	64,633	17,798	(330)	3,849	29,458	115,408
Total comprehensive income for the period	-	-	-	-	(920)	(920)
Transactions with owners, recorded directly in equity						
Effect of share options forfeited during the period	-	-	-	(18)	-	(18)
Value of employee services received for issue of share options	-	-	-	90	-	90
Purchase of treasury shares	-	-	(204)	-	-	(204)
Dividend paid in respect of financial year 2010 - Final dividend of 0.40 cents per share (tax-exempt one-tier)	-	-	-	-	(4,894)	(4,894)
Total transactions with owners	-	-	(204)	72	(4,894)	(5,026)
At 30 September 2010	64,633	17,798	(534)	3,921	23,644	109,462

Note:

Capital reserve

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

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

Notes to the Financial Statements

Notes to the Consolidated Income Statement

The Group is reporting its second quarter results for the period from 1 July 2010 to 30 September 2010 ("2Q11") with comparative figures for the 3 months period from 1 July 2009 to 30 September 2009 ("2Q10").

A Cost of sales

Group			
2nd Quarter ended	30/09/2009	6 months ended	30/09/2009
30/09/2010	30/09/2009	30/09/2010	30/09/2009
S\$'000	S\$'000	S\$'000	S\$'000

Cost of sales includes the following items:

Allowances made for:

- foreseeable losses/(reversed) on construction work-in-progress ⁽¹⁾	3	(260)	3	(341)
- foreseeable losses on land held for sale ⁽²⁾	-	(99)	-	166
Depreciation of property, plant and equipment	5,656	4,891	11,110	9,820
Impairment losses reversed on property, plant and equipment	-	(1)	-	(126)
Inventories written back	-	(2)	(341)	-
Property, plant and equipment written off	190	6	193	6

⁽¹⁾ The Group recognises allowance for foreseeable losses taking into account the contracted revenue, estimated costs to completion and project duration. 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			
2nd Quarter ended	30/09/2009	6 months ended	30/09/2009
30/09/2010	30/09/2009	30/09/2010	30/09/2009
S\$'000	S\$'000	S\$'000	S\$'000

Other income includes the following item:

Gain on disposal of property, plant and equipment	454	191	684	241
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Notes to the Consolidated Income Statement (cont'd)

C Other operating expenses

	Group			
	2nd Quarter ended		6 months ended	
	30/09/2010	30/09/2009	30/09/2010	30/09/2009
	S\$'000	S\$'000	S\$'000	S\$'000
Other operating expenses includes the following items:				
Bad debts written off	1	-	1	59
Depreciation of property, plant and equipment	242	214	483	432
Exchange loss	615	241	479	375
Impairment losses reversed on:				
- investment in and balance with an associate	-	(242)	-	(335)
- trade, progress billing & other receivables ⁽³⁾	(313)	(525)	(845)	(1,446)
- other non-current assets				
- property, plant and equipment	-	-	(1)	-
Loss on dilution of interests in subsidiaries				
Property, plant and equipment written off	2	14	42	14
Share option expense	90	339	180	894

⁽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 1HY10 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			
	2nd Quarter ended		6 months ended	
	30/09/2010	30/09/2009	30/09/2010	30/09/2009
	S\$'000	S\$'000	S\$'000	S\$'000
Current tax expense				
- current period	628	867	1,312	2,524
- (over)/under provided in prior years	(212)	134	6	134
	<u>416</u>	<u>1,001</u>	<u>1,318</u>	<u>2,658</u>
Deferred tax expense/(credit)				
- current period	931	737	967	720
- over provided in prior years	(474)	-	(464)	-
	<u>457</u>	<u>737</u>	<u>503</u>	<u>720</u>
	<u><u>873</u></u>	<u><u>1,738</u></u>	<u><u>1,821</u></u>	<u><u>3,378</u></u>

Notes to the Consolidated Income Statement (cont'd)

F Interested person transactions

Interested person transactions carried out during the 2nd quarter ended 30 September 2010 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)	
	2nd Quarter ended 30/09/2010 S\$'000	6 months ended 30/09/2010 S\$'000	2nd Quarter ended 30/09/2010 S\$'000	6 months ended 30/09/2010 S\$'000
CMC Construction Pte Ltd ⁽¹⁾	Nil	Nil	Nil	742

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 30/09/2010 S\$'000	As at 31/03/2010 S\$'000
<u>Cost</u>		
Opening balance	200,028	190,744
Additions	21,041	16,955
Assets acquired through business combinations	-	1,219
Disposals/Write-offs	(1,805)	(6,788)
Transfer to assets held for sale	-	(2,805)
Translation differences on consolidation	(79)	703
Closing balance	<u>219,185</u>	<u>200,028</u>
<u>Accumulated depreciation and impairment losses</u>		
Opening balance	73,932	62,326
Additions	11,592	19,515
Disposals/Write-offs	(730)	(5,932)
Transfer to assets held for sale	-	(2,212)
Translation differences on consolidation	(24)	235
Closing balance	<u>84,770</u>	<u>73,932</u>
Carrying amount	<u>134,415</u>	<u>126,096</u>

2 Inventories

	Group	
	As at 30/09/2010 S\$'000	As at 31/03/2010 S\$'000
Equipment and machinery held for sale	20,946	16,589
Spare parts	4,317	3,110
Materials on sites	4,285	4,059
	<u>29,548</u>	<u>23,758</u>

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

	Group	
	As at 30/09/2010 S\$'000	As at 31/03/2010 S\$'000
Cost incurred and attributable profit	642,845	597,152
Allowance for foreseeable losses	(619)	(619)
	<u>642,226</u>	<u>596,533</u>
Progress billings	(652,790)	(607,361)
	<u>(10,564)</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 30/09/2010	
Secured	Unsecured
S\$'000	S\$'000
51,095	-

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

Amount repayable after one year

As at 30/09/2010	
Secured	Unsecured
S\$'000	S\$'000
29,233	-

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\$80.3 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\$18.1 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 September 2010, the issued and fully paid-up share capital of the Company was 1,227,243,725 (31 March 2010: 1,226,243,725) ordinary shares.

During the 3 months ended 30 September 2010, the Company completed the buy-back of 1,300,000 ordinary shares. As at 30 September 2010, the Company held 4,300,000 (30 September 2009: 1,900,000) of its own uncancelled shares. There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the 3 months ended 30 September 2010.

The total number of ordinary shares issued (excluding treasury shares) as at 30 September 2010 was 1,222,943,725 (31 March 2010: 1,223,493,725) ordinary shares.

As at 30 September 2010, there were outstanding share options for conversion into 71,030,000 (30 September 2009: 89,870,000) ordinary shares under the CSC Executive Share Option Scheme 2004.

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 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

	2nd Quarter ended		6 months ended	
	30/09/2010	30/09/2009	30/09/2010	30/09/2009
Based on the weighted average number of ordinary shares on issue	0.26 cents	0.64 cents	0.53 cents	1.14 cents
	2nd Quarter ended		6 months ended	
	30/09/2010	30/09/2009	30/09/2010	30/09/2009
	S\$'000	S\$'000	S\$'000	S\$'000
Basic earnings per ordinary share is based on: Net profit attributable to ordinary shareholders	3,237	7,884	6,531	13,900

	2nd Quarter ended		6 months ended	
	30/09/2010	30/09/2009	30/09/2010	30/09/2009
	Number of shares			
Weighted average number of: Issued ordinary shares at beginning of the period	1,227,243,725	1,226,243,725	1,226,243,725	1,225,243,725
Ordinary shares issued arising from exercise of share options	-	-	661,202	644,809
Ordinary shares held as treasury shares	(3,567,391)	(1,900,000)	(3,210,929)	(1,900,000)
Weighted average number of ordinary shares used to compute earnings per ordinary share	1,223,676,334	1,224,343,725	1,223,693,998	1,223,988,534

(b) Diluted earnings per ordinary share

	2nd Quarter ended		6 months ended	
	30/09/2010	30/09/2009	30/09/2010	30/09/2009
On a fully diluted basis	0.26 cents	0.64 cents	0.53 cents	1.13 cents
	2nd Quarter ended		6 months ended	
	30/09/2010	30/09/2009	30/09/2010	30/09/2009
	S\$'000	S\$'000	S\$'000	S\$'000
Diluted earnings per ordinary share is based on: Net profit attributable to ordinary shareholders	3,237	7,884	6,531	13,900

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.

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

	2nd Quarter ended		6 months ended	
	30/09/2010	30/09/2009	30/09/2010	30/09/2009
	Number of shares			
Weighted average number of: Ordinary shares used in the calculation of basic earnings per ordinary share	1,223,676,334	1,224,343,725	1,223,693,998	1,223,988,534
Potential ordinary shares issuable under exercise of share options	2,417,458	10,041,451	3,325,401	4,511,835
Weighted average number of ordinary issued and potential shares assuming full conversion	1,226,093,792	1,234,385,176	1,227,019,399	1,228,500,369

Net Asset Value

	<u>As at 30/09/2010</u>	<u>As at 31/03/2010</u>
Group		
Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of the period reported on	15.8 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	9.0 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 September 2010 of 1,222,943,725 (31 March 2010: 1,223,493,725) ordinary shares.

Dividend

The Board of Directors is pleased to recommend an interim ordinary dividend of 0.4 cents per share.

	1H11	1H10
Name of dividend	Interim ordinary	Interim ordinary
Dividend type	Cash	Cash
Dividend rate per ordinary share	0.4 cents	0.2 cents
Tax rate	Tax exempt	Tax exempt

Total proposed interim ordinary dividend payable will be S\$4,892,000 (2Q10: S\$2,449,000), which is based on share capital of 1,222,943,725 ordinary shares as at 30 September 2010 (30 September 2009: 1,224,343,725 ordinary shares).

NOTICE IS HEREBY GIVEN that the Transfer Books and the Register of Members of the Company will be closed on 3 December 2010 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 2 December 2010 (the "Books Closure Date") will be registered to determine shareholders' entitlements to the interim 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 5.00 p.m. on the Books Closure Date will be entitled to the interim ordinary dividend.

The said interim 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 interim ordinary dividend will be paid on 17 December 2010 to members on the Register as at 2 December 2010.

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
4 November 2010