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**Second Quarter Results \* Financial Statement And Related Announcement**

\* Asterisks denote mandatory information

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Announcement submitted on behalf of	CSC HOLDINGS LTD
Announcement is submitted with respect to *	CSC HOLDINGS LTD
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For the Financial Period Ended *	30-09-2013
Description	Please refer to the attachments.

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# **CSC HOLDINGS LIMITED**

(Company Registration Number: 199707845E)

**Financial Statements Announcement**  
**for the Second Quarter Ended 30 September 2013**  
**(For the Financial Year Ending 31 March 2014)**

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## Review of the Performance of the Group

### CONSOLIDATED INCOME STATEMENT

2Q14 – for the 3 months ended 30 September 2013

1Q14 – for the 3 months ended 30 June 2013

2Q13 – for the 3 months ended 30 September 2012

1H14 – for the 6 months ended 30 September 2013

1H13 – for the 6 months ended 30 September 2012

#### Review of Results for the Second Quarter Ended 30 September 2013

	2Q14 \$'000	1Q14 \$'000	Change %	2Q13 \$'000	Change %	1H14 \$'000	1H13 \$'000	Change %
<b>Revenue</b>	125,765	131,863	(4.6)	144,646	(13.1)	257,628	273,750	(5.9)
<b>Gross Profit</b>	9,890	8,868	11.5	10,484	(5.7)	18,758	20,184	(7.1)
Other Income	866	1,379	(37.2)	1,068	(18.9)	2,245	2,170	3.5
Operating Expenses	(7,562)	(7,977)	(5.2)	(7,957)	(5.0)	(15,539)	(15,092)	3.0
<b>Profit from Operating Activities</b>	3,194	2,270	40.7	3,595	(11.2)	5,464	7,262	(24.8)
Net Finance Expenses	(1,231)	(882)	39.6	(1,261)	(2.4)	(2,113)	(3,217)	(34.3)
Share of Profit of a Jointly-Controlled Entity	65	119	(45.4)	35	85.7	184	157	17.2
<b>Profit before Tax</b>	2,028	1,507	34.6	2,369	(14.4)	3,535	4,202	(15.9)
Tax Expense	(353)	(360)	(1.9)	(105)	N.M.	(713)	(145)	N.M.
<b>Profit for the period</b>	1,675	1,147	46.0	2,264	(26.0)	2,822	4,057	(30.4)

<b>Gross Profit Margins</b>	7.9%	6.7%	7.2%	7.3%	7.4%
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#### Revenue

The Group recorded revenue of \$125.8 million for 2Q14 as compared to \$144.6 million for 2Q13. Revenue for 1H14 decreased by 5.9% to \$257.6 million, from \$273.8 million reported in 1H13.

Revenue for 2Q14 and 1H14 reflect a healthy level of business activities, and takes into consideration the exceptional spike in business activities in 2Q13. In addition, the Group's foundation equipment division, which is engaged in the trading of foundation engineering equipment, also experienced a higher level of trading activities in 1H13 compared to 1H14. In this regard, revenue recorded in 2Q14 and 1H14 was comparatively lower than the corresponding periods a year ago.

Compared with 1Q14, revenue for 2Q14 registered a slight decline of 4.6%. However, revenue from Malaysia operations grew by approximately 38% in 2Q14. Malaysia operations contributed approximately 20% of the Group's 2Q14 revenue as compared to 14% in 1Q14 and this was primarily driven by strong domestic demand in the Malaysia construction sector.

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

Gross Profit and GPM for 2Q14 were \$9.9 million and 7.9% respectively (2Q13: \$10.5 million and 7.2%). For 1H14, Gross Profit and GPM also registered declines to \$18.8 million and 7.3% from \$20.2 million and 7.4% in 1H13.

The year-on-year margin erosion reflects the intensely competitive industry climate, as contracts were secured at very competitive prices while construction costs remained high.

Gross Profit and GPM for 2Q14 were higher compared to 1Q14 due to increased contributions from Malaysia operations following the growth in revenue.

## Other Income

The Group recorded Other Income of \$0.9 million for 2Q14 (2Q13: \$1.1 million) and \$2.2 million in 1H14 (1H13: \$2.2 million) respectively. Other Income for 2Q14 and 1H14 remained relatively consistent with the respective corresponding periods.

Other Income of 2Q14 was lower than 1Q14 mainly due to gain on disposal of a leasehold building amounting to \$0.5 million recorded in 1Q14.

## Operating Expenses

	2Q14 \$'000	1Q14 \$'000	Change %	2Q13 \$'000	Change %	1H14 \$'000	1H13 \$'000	Change %
<b>Other Operating Expenses</b>	7,412	7,644	(3.0)	8,384	(11.6)	15,056	15,876	(5.2)
Exchange Loss/(Gain)	150	121	24.0	(427)	N.M.	271	(784)	N.M.
Loss on Liquidation of A subsidiary	-	1	(100.0)	-	N.A.	1	-	N.A.
Translation Differences relating to Liquidation of Interests in A subsidiary	-	211	(100.0)	-	N.A.	211	-	N.A.
<b>Net Operating Expenses</b>	<b>7,562</b>	<b>7,977</b>	<b>(5.2)</b>	<b>7,957</b>	<b>(5.0)</b>	<b>15,539</b>	<b>15,092</b>	<b>3.0</b>
<b>Other Operating Expenses /Revenue</b>	<b>5.9%</b>	<b>5.8%</b>		<b>5.8%</b>		<b>5.8%</b>	<b>5.8%</b>	

Other Operating Expenses for 2Q14 and 1H14 decreased to \$7.4 million (2Q13: \$8.4 million) and \$15.1 million (1H13: \$15.9 million) respectively. These expenses were comparable to the previous corresponding reporting periods in view of the Group's sustained effort at reining in overheads amid an intensely competitive operating environment.

Other Operating Expenses to Revenue Ratio for 2Q14 and 1H14 were 5.9% (2Q13: 5.8%) and 5.8% (1H13: 5.8%) respectively.

Other Operating Expenses and Other Operating Expenses to Revenue Ratio of 2Q14 were largely similar to those recorded in 1Q14.

## Net Finance Expenses

	2Q14 \$'000	1Q14 \$'000	Change %	2Q13 \$'000	Change %	1H14 \$'000	1H13 \$'000	Change %
Interest Income	1	-	N.M.	49	(98.0)	1	95	(98.9)
Interest Expenses	(1,195)	(1,021)	17.0	(1,125)	6.2	(2,216)	(2,683)	(17.4)
<b>Net Interest Expenses</b>	<b>(1,194)</b>	<b>(1,021)</b>	<b>16.9</b>	<b>(1,076)</b>	<b>11.0</b>	<b>(2,215)</b>	<b>(2,588)</b>	<b>(14.4)</b>
Imputed Interest on Non-Current Assets/Liabilities	(37)	139	N.M.	(185)	(80.0)	102	(629)	N.M.
<b>Net Finance Expenses</b>	<b>(1,231)</b>	<b>(882)</b>	<b>39.6</b>	<b>(1,261)</b>	<b>(2.4)</b>	<b>(2,113)</b>	<b>(3,217)</b>	<b>(34.3)</b>

Net Interest Expenses for 2Q14 and 1H14 were \$1.2 million (2Q13: \$1.1 million) and \$2.2 million (1H13: \$2.6 million) respectively.

Compared with 1Q14, net interest expenses were slightly higher in 2Q14 as the Group drew down more short term bank loans to finance its 2Q14 operations.

### **Share of Profit of a Jointly-Controlled Entity**

Share of Profit of a Jointly-Controlled Entity in 2Q14 and 1H14 were \$0.1 million (2Q13: \$0.04 million) and \$0.2 million (1H13: \$0.2 million) respectively. There was higher level of business activities undertaken by the jointly-controlled entity in the current reporting period which in turn contributed positively to the Group's performance.

The share of profit from the jointly-controlled entity in 2Q14 was comparable to 1Q14.

### **Profit for the period**

The Group's net profit and earnings per share of \$1.7 million and 0.08 cents respectively for 2Q14, compared to \$2.3 million and 0.10 cents recorded in 2Q13.

Net profit and earnings per share similarly fell to \$2.8 million and 0.13 cents per share in 1H14, from \$4.1 million and 0.17 cents per share respectively in 1H13.

2Q14 net profit and earnings per share improved marginally over 1Q14.

## **STATEMENT OF FINANCIAL POSITION**

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

As at 30 September 2013, the net book value of Property, Plant and Equipment amounted to \$174.5 million (31 March 2013: \$184.6 million). During the period under review, the Group replaced its older equipment by investing \$4.5 million in new equipment and disposing \$1.1 million of its older equipment. Depreciation for 1H14 was \$13.9 million.

### **Net Current Assets**

Net Current Assets of the Group stood at \$57.9 million as at 30 September 2013 (31 March 2013: \$59.6 million) with a current ratio (current assets / current liabilities) of 1.23 (31 March 2013: 1.24).

As at 30 September 2013, Inventories stood at \$70.1 million, which was higher than \$64.0 million as at 31 March 2013 to cater for the increased business activities of the Group's foundation equipment division in Malaysia market.

Trade and Other Receivables was \$230.4 million (31 March 2013: \$227.6 million) while Trade and Other Payables was \$130.5 million (31 March 2013: \$125.2 million).

### **Borrowings**

Total Borrowings as at 30 September 2013 amounted to \$158.8 million (31 March 2013: \$168.1 million), representing a debt over equity ratio of 0.81 (31 March 2013: 0.86).

The decrease in Borrowings was mainly due to net repayment of bank loans and hire purchase loans amounting to \$8.7 million in 1H14.

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

As at 30 September 2013, the Group's total equity stood at \$195.6 million, due to the net accumulation of profits in 1H14 (31 March 2013: \$194.9 million).

As at 30 September 2013, Net Asset Value per ordinary share was 16.1 cents (31 March 2013: 16.0 cents).

## CASH FLOW

	2Q14 \$'000	1Q14 \$'000	Change %	2Q13 \$'000	Change %	1H14 \$'000	1H13 \$'000	Change %
<b>Cash Flow from Operating Activities</b>	(1,698)	14,923	N.M.	(1,139)	49.1	13,225	4,941	N.M.
<b>Cash Flow from Investing Activities</b>	7	3,207	(99.8)	(5,266)	N.M.	3,214	(6,801)	N.M.
<b>Cash Flow from Financing Activities</b>	(7,012)	(10,869)	(35.5)	4,351	N.M.	(17,881)	(5,809)	N.M.
<b>Cash and Cash Equivalents</b>	2,432	11,140	(78.2)	7,692	(68.4)	2,432	7,692	(68.4)

### Cash Flow from Operating Activities

Net Cash Outflow from Operating Activities for 2Q14 was \$1.7 million (2Q13: \$1.1 million).

For 1H14, the Group generated Net Cash Inflow of \$13.2 million (1H13: \$4.9 million).

The Group recorded a Net Cash Outflow from Operating Activities of \$1.7 million in 2Q14 as compared to a Net Cash Inflow of \$14.9 million in 1Q14 due to the increase in net working capital required for 2Q14 operations. This increase reflects the timing difference between billing and receipt of payment and is thus temporary in nature. These net working capital increases will be converted into cash over the coming quarters.

In 2Q14, the Group paid out net cash of \$3.9 million to our joint venture partner for the Group's industrial property development, West Point Bizhub, following the issuance of the development's Subsidiary Strata Certificate of Title from Singapore Land Authority in 1Q14.

### Cash Flow from Investing Activities

Net Cash Inflow from Investing Activities for 2Q14 was \$0.01 million, as compared to an outflow of \$5.3 million in 2Q13. For 1H14, the Group recorded a Net Cash Inflow from Investing Activities of \$3.2 million as compared to a Net Cash Outflow of \$6.8 million in 1H13 mainly due to proceeds from the sale of a leasehold building and older equipment in 1Q14. In addition, there was a marked decrease in investments in fixed assets during the current reporting periods.

### Cash Flow from Financing Activities

The Group's Net Cash Outflow from Financing Activities for 2Q14 was \$7.0 million, compared to a Net Cash Inflow in 2Q13. For 1H14, the Group's Net Cash Outflow was higher at \$17.9 million (1H13: \$5.8 million). The Net Cash Outflow for the current reporting periods was due to net repayment of bank loans and hire purchase loans amounting to \$5.0 million and \$13.3 million for 2Q14 and 1H14 respectively.

The Group recorded a lower cash outflow as a result of lower net repayment of bank loans and hire purchase loans amounting to \$5.0 million in 2Q14 (1Q14: \$8.3 million).

Taking the abovementioned factors into consideration, the Group reported Cash and Cash Equivalents of \$2.4 million as at 30 September 2013.



## Outlook

The Group expects operating conditions in the Singapore construction sector to remain challenging in the near term, as competitive tender prices persist in the face of intense competition. In a bid to maintain its gross margins, it is increasing its effort to improve productivity.

To mitigate the challenges faced in Singapore market, the Group is re-deploying its resources in favour of markets in the region that hold better potential, particularly in Malaysia and Thailand. Having ventured into these countries several years ago, the Group is now poised to capitalise on its ground knowledge and local relationships for future expansion. With this shift, the Group expects to increase the contribution from its overseas business from about 10% to about 20% in the medium term.

The Group's presence in Malaysia has enabled it to secure a number of residential, infrastructure and institutional projects, and the accumulation of a good track record should provide for a good platform from which to further grow its business there.

As of end of October 2013, the Group's order book comprising contracts from both the public and private sectors in Singapore and Malaysia, stands at approximately \$220 million (end July 2013: \$210 million). The Group expects the bulk of these contracts to be completed within the next six months.

Barring unforeseen circumstances, the Board of Directors expects the Group to be profitable for its financial year ending 31 March 2014.

## Consolidated Income Statement for the 2nd Quarter ended 30 September 2013

	Note	Group			Group		
		2nd Quarter ended		Change	6 months ended		Change
		30-Sep-13	30-Sep-12		30-Sep-13	30-Sep-12	
		\$'000	\$'000	%	\$'000	\$'000	%
<b>Revenue</b>		125,765	144,646	(13.1)	257,628	273,750	(5.9)
Cost of sales	A	(115,875)	(134,162)	(13.6)	(238,870)	(253,566)	(5.8)
<b>Gross profit</b>		9,890	10,484	(5.7)	18,758	20,184	(7.1)
Other income	B	866	1,068	(18.9)	2,245	2,170	3.5
Distribution expenses		(88)	(145)	(39.3)	(217)	(283)	(23.3)
Administrative expenses	C	(7,217)	(7,275)	(0.8)	(14,905)	(14,425)	3.3
Other operating expenses	D	(257)	(537)	(52.1)	(417)	(384)	8.6
<b>Results from operating activities</b>		3,194	3,595	(11.2)	5,464	7,262	(24.8)
Finance income		1	49	N.M.	103	95	8.4
Finance expenses		(1,232)	(1,310)	(6.0)	(2,216)	(3,312)	(33.1)
<b>Net finance expenses</b>		(1,231)	(1,261)	(2.4)	(2,113)	(3,217)	(34.3)
Share of profit of a jointly-controlled entity		65	35	85.7	184	157	17.2
<b>Profit before tax</b>		2,028	2,369	(14.4)	3,535	4,202	(15.9)
Tax expense	E	(353)	(105)	N.M.	(713)	(145)	N.M.
<b>Profit for the period</b>		1,675	2,264	(26.0)	2,822	4,057	(30.4)
<b>Attributable to:</b>							
Owners of the Company		1,010	1,182	(14.6)	1,617	2,043	(20.9)
Non-controlling interests		665	1,082	(38.5)	1,205	2,014	(40.2)
<b>Profit for the period</b>		1,675	2,264		2,822	4,057	

Gross profit margin	7.9%	7.2%	7.3%	7.4%
Net profit margin	1.3%	1.6%	1.1%	1.5%

## Consolidated Statement of Comprehensive Income for the 2nd Quarter ended 30 September 2013

	Group			Group		
	2nd Quarter ended		Change	6 months ended		Change
	30-Sep-13	30-Sep-12		30-Sep-13	30-Sep-12	
	\$'000	\$'000	%	\$'000	\$'000	%
<b>Profit for the period</b>	1,675	2,264	(26.0)	2,822	4,057	(30.4)
<b>Other comprehensive income</b>						
<b>Items that 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	(628)	95	N.M.	(411)	(479)	(14.2)
Translation differences relating to liquidation of interests in a subsidiary	-	-	N.A.	(211)	-	N.A.
<b>Other comprehensive income for the period, net of tax</b>	(628)	95	N.M.	(622)	(479)	29.9
<b>Total comprehensive income for the period</b>	1,047	2,359	(55.6)	2,200	3,578	(38.5)
<b>Attributable to:</b>						
Owners of the Company	414	1,282	(67.7)	1,035	1,598	(35.2)
Non-controlling interests	633	1,077	(41.2)	1,165	1,980	(41.2)
<b>Total comprehensive income for the period</b>	1,047	2,359		2,200	3,578	

## Statement of Financial Position as at 30 September 2013

DESCRIPTION	Note	Group		Company	
		30-Sep-13	31-Mar-13	30-Sep-13	31-Mar-13
		\$'000	\$'000	\$'000	\$'000
<b>Non-current assets</b>					
Property, plant and equipment	1	174,469	184,567	-	-
Intangible assets		1,452	1,452	-	-
Investments in:					
- subsidiaries		-	-	84,658	84,918
- a jointly-controlled entity		1,308	1,124	-	-
Trade and other receivables		15,334	14,014	-	-
Deferred tax asset		-	-	27	27
		192,563	201,157	84,685	84,945
<b>Current assets</b>					
Inventories	2	70,061	64,014	-	-
Derivatives	3	-	-	-	-
Assets classified as held for sale	1	275	3,051	-	-
Trade and other receivables		230,352	227,608	31,748	33,223
Cash and cash equivalents		8,719	9,485	151	219
		309,410	304,158	31,899	33,442
<b>Total assets</b>		501,973	505,315	116,584	118,387

**Statement of Financial Position as at 30 September 2013 (cont'd)**

DESCRIPTION	Note	Group		Company	
		30-Sep-13	31-Mar-13	30-Sep-13	31-Mar-13
		\$'000	\$'000	\$'000	\$'000
<b>Equity attributable to owners of the Company</b>					
Share capital		64,953	64,953	64,953	64,953
Reserves		108,446	108,834	44,232	45,204
		173,399	173,787	109,185	110,157
<b>Non-controlling interests</b>		22,202	21,082	-	-
<b>Total equity</b>		195,601	194,869	109,185	110,157
<b>Non-current liabilities</b>					
Loans and borrowings		48,867	59,732	-	-
Deferred tax liabilities		6,036	6,115	-	-
		54,903	65,847	-	-
<b>Current liabilities</b>					
Loans and borrowings		109,887	108,401	172	-
Derivatives		12	18	-	-
Trade and other payables		130,454	125,185	7,135	8,116
Excess of progress billings over construction work-in-progress	3	10,270	9,797	-	-
Current tax payable		846	1,198	92	114
		251,469	244,599	7,399	8,230
<b>Total liabilities</b>		306,372	310,446	7,399	8,230
<b>Total equity and liabilities</b>		501,973	505,315	116,584	118,387

## Consolidated Statement of Cash Flows for the 2nd Quarter ended 30 September 2013

	2nd Quarter ended		6 months ended	
	<u>30-Sep-13</u>	<u>30-Sep-12</u>	<u>30-Sep-13</u>	<u>30-Sep-12</u>
	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>				
Profit for the period	1,675	2,264	2,822	4,057
Adjustments for:				
Amortisation of intangible assets	-	13	-	23
Bad debts written off	65	1	74	133
Depreciation of property, plant and equipment	7,162	7,187	13,912	14,547
Gain on disposal of property, plant and equipment	(372)	(514)	(1,290)	(1,108)
Impairment losses on:				
- property, plant and equipment	-	-	-	300
- trade, progress billing and other receivables	156	500	63	203
Inventories written down	90	-	220	-
Inventories written off	-	110	-	403
Loss on liquidation of a subsidiary	-	-	1	-
Net finance expenses	1,231	1,261	2,113	3,217
Property, plant and equipment written off	1	2	1	2
Translation differences relating to liquidation of interests in a subsidiary	-	-	211	-
Share of profit of a jointly-controlled entity	(65)	(35)	(184)	(157)
Tax expense	353	105	713	145
<b>Operating activities before working capital changes</b>	<b>10,296</b>	<b>10,894</b>	<b>18,656</b>	<b>21,765</b>
Changes in working capital:				
Inventories	(1,406)	394	(5,781)	(1,402)
Trade, progress billing and other receivables	562	(23,993)	(3,607)	(22,816)
Trade and other payables	(10,289)	12,136	5,196	8,565
Cash (used in)/generated from operations	(837)	(569)	14,464	6,112
Taxes paid	(716)	(619)	(1,114)	(1,266)
Interest (paid)/received	(145)	49	(125)	95
<b>Net cash (used in)/generated from operating activities</b>	<b>(1,698)</b>	<b>(1,139)</b>	<b>13,225</b>	<b>4,941</b>

## Consolidated Statement of Cash Flows for the 2nd Quarter ended 30 September 2013 (cont'd)

	2nd Quarter ended		6 months ended	
	<u>30-Sep-13</u>	<u>30-Sep-12</u>	<u>30-Sep-13</u>	<u>30-Sep-12</u>
	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(841)	(6,259)	(1,919)	(8,391)
Proceeds from disposal of property, plant and equipment	848	993	5,133	1,780
Acquisition of non-controlling interests	-	-	-	(190)
<b>Net cash generated from/(used in) investing activities</b>	<u>7</u>	<u>(5,266)</u>	<u>3,214</u>	<u>(6,801)</u>
<b>Cash flows from financing activities</b>				
Interest paid	(991)	(1,100)	(2,039)	(2,535)
Dividend paid:				
- owners of the Company	(728)	(1,099)	(728)	(1,099)
- non-controlling interests of a subsidiary	(45)	-	(45)	(45)
Proceeds from:				
- bank loans and hire purchase loans	10,850	9,242	23,971	16,542
- bills payable	23,684	30,713	44,986	56,720
- capital contribution from non-controlling interests of a subsidiary	-	-	-	213
Purchase of treasury shares	(293)	(80)	(695)	(128)
Redemption of redeemable preference shares	-	-	(1,100)	-
Repayment of:				
- bank loans	(9,428)	(3,464)	(19,928)	(7,958)
- bills payable	(21,335)	(20,936)	(45,339)	(48,395)
- finance lease liabilities	(8,726)	(8,925)	(16,964)	(20,024)
Decrease in fixed deposits pledged	-	-	-	900
<b>Net cash (used in)/generated from financing activities</b>	<u>(7,012)</u>	<u>4,351</u>	<u>(17,881)</u>	<u>(5,809)</u>
<b>Net decrease in cash and cash equivalents</b>	(8,703)	(2,054)	(1,442)	(7,669)
Cash and cash equivalents at 1 July/1 April	11,140	9,764	3,920	15,667
Effect of exchange rate changes on balances held in foreign currencies	(5)	(18)	(46)	(306)
<b>Cash and cash equivalents at 30 September</b>	<u>2,432</u>	<u>7,692</u>	<u>2,432</u>	<u>7,692</u>
Comprising:				
Cash and cash equivalents	8,719	13,934	8,719	13,934
Bank overdrafts	(6,287)	(6,242)	(6,287)	(6,242)
Cash and cash equivalents in the consolidated cash flow statement	<u>2,432</u>	<u>7,692</u>	<u>2,432</u>	<u>7,692</u>

## Statements of Changes in Equity for the 2nd Quarter ended 30 September 2013

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 July 2012	64,953	17,798	(1,098)	116	2,983	(1,273)	193	96,175	179,847	21,646	201,493
<b>Total comprehensive income for the period</b>											
Profit or loss	-	-	-	-	-	-	-	1,182	1,182	1,082	2,264
<b>Other comprehensive income</b>											
Translation differences relating to financial statements of foreign subsidiaries, an associate and a jointly-controlled entity	-	-	-	-	-	100	-	-	100	(5)	95
Total other comprehensive income	-	-	-	-	-	100	-	-	100	(5)	95
Total comprehensive income for the period	-	-	-	-	-	100	-	1,182	1,282	1,077	2,359
<b>Transactions with owners, recorded directly in equity</b>											
Effect of share options forfeited/expired during the period	-	-	-	-	(2,236)	-	-	2,236	-	-	-
Purchase of treasury shares	-	-	(80)	-	-	-	-	-	(80)	-	(80)
Dividend paid in respect of financial year 2012 - Final dividend of 0.09 cents per share (tax-exempt one-tier)	-	-	-	-	-	-	-	(1,099)	(1,099)	-	(1,099)
Total transactions with owners	-	-	(80)	-	(2,236)	-	-	1,137	(1,179)	-	(1,179)
<b>At 30 September 2012</b>	<b>64,953</b>	<b>17,798</b>	<b>(1,178)</b>	<b>116</b>	<b>747</b>	<b>(1,173)</b>	<b>193</b>	<b>98,494</b>	<b>179,950</b>	<b>22,723</b>	<b>202,673</b>
At 1 July 2013	64,953	17,798	(1,826)	116	729	(1,108)	137	93,207	174,006	21,614	195,620
<b>Total comprehensive income for the period</b>											
Profit or loss	-	-	-	-	-	-	-	1,010	1,010	665	1,675
<b>Other comprehensive income</b>											
Translation differences relating to financial statements of foreign subsidiaries, an associate and a jointly-controlled entity	-	-	-	-	-	(596)	-	-	(596)	(32)	(628)
Total other comprehensive income	-	-	-	-	-	(596)	-	-	(596)	(32)	(628)
Total comprehensive income for the period	-	-	-	-	-	(596)	-	1,010	414	633	1,047
<b>Transactions with owners, recorded directly in equity</b>											
Effect of share options forfeited/expired during the period	-	-	-	-	(729)	-	-	729	-	-	-
Purchase of treasury shares	-	-	(293)	-	-	-	-	-	(293)	-	(293)
Dividend paid in respect of financial year 2013 - Final dividend of 0.06 cents per share (tax-exempt one-tier)	-	-	-	-	-	-	-	(728)	(728)	-	(728)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(45)	(45)
Total transactions with owners	-	-	(293)	-	(729)	-	-	1	(1,021)	(45)	(1,066)
<b>At 30 September 2013</b>	<b>64,953</b>	<b>17,798</b>	<b>(2,119)</b>	<b>116</b>	<b>-</b>	<b>(1,704)</b>	<b>137</b>	<b>94,218</b>	<b>173,399</b>	<b>22,202</b>	<b>195,601</b>



## Statements of Changes in Equity for the 2nd Quarter ended 30 September 2013 (cont'd)

<u>Company</u>	Share capital	Capital reserve	Reserve for own shares	Share option reserve	Accumulated profits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2012	64,953	17,798	(1,098)	2,983	26,884	111,520
Total comprehensive income for the period	-	-	-	-	139	139
<b>Transactions with owners, recorded</b>						
<b>directly in equity</b>						
Effect of share options forfeited/expired during the period	-	-	-	(2,236)	1,691	(545)
Purchase of treasury shares	-	-	(80)	-	-	(80)
Dividend paid in respect of financial year 2012						
- Final dividend of 0.09 cents per share (tax-exempt one-tier)	-	-	-	-	(1,099)	(1,099)
Total transactions with owners	-	-	(80)	(2,236)	592	(1,724)
<b>At 30 September 2012</b>	<b>64,953</b>	<b>17,798</b>	<b>(1,178)</b>	<b>747</b>	<b>27,615</b>	<b>109,935</b>
At 1 July 2013	64,953	17,798	(1,826)	729	27,789	109,443
Total comprehensive income for the period	-	-	-	-	1,020	1,020
<b>Transactions with owners, recorded</b>						
<b>directly in equity</b>						
Effect of share options forfeited/expired during the period	-	-	-	(729)	472	(257)
Purchase of treasury shares	-	-	(293)	-	-	(293)
Dividend paid in respect of financial year 2013						
- Final dividend of 0.06 cents per share (tax-exempt one-tier)	-	-	-	-	(728)	(728)
Total transactions with owners	-	-	(293)	(729)	(256)	(1,278)
<b>At 30 September 2013</b>	<b>64,953</b>	<b>17,798</b>	<b>(2,119)</b>	<b>-</b>	<b>28,553</b>	<b>109,185</b>

Note:

Capital reserve

	<u>Group</u>	<u>Company</u>
	\$'000	\$'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 2013 to 30 September 2013 ("2Q14") with comparative figures for the 3 months period from 1 July 2012 to 30 September 2012 ("2Q13").

#### A Cost of sales

Group			
2nd Quarter ended		6 months ended	
30/09/2013	30/09/2012	30/09/2013	30/09/2012
\$'000	\$'000	\$'000	\$'000

Cost of sales includes the following items:

Depreciation of property, plant and equipment	6,919	6,925	13,411	14,021
Impairment losses on property, plant and equipment	-	-	-	300
Inventories written down	90	-	220	-
Inventories written off	-	110	-	403

#### B Other income

Group			
2nd Quarter ended		6 months ended	
30/09/2013	30/09/2012	30/09/2013	30/09/2012
\$'000	\$'000	\$'000	\$'000

Other income includes the following item:

Gain on disposal of property, plant and equipment	372	514	1,290	1,108
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#### C Administrative expenses

Group			
2nd Quarter ended		6 months ended	
30/09/2013	30/09/2012	30/09/2013	30/09/2012
\$'000	\$'000	\$'000	\$'000

Administrative expenses includes the following items:

Amortisation of intangible assets	-	13	-	23
Depreciation of property, plant and equipment	243	262	501	526
Exchange loss/(gain)	150	(427)	271	(784)

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

### D Other operating expenses

	Group			
	2nd Quarter ended		6 months ended	
	30/09/2013	30/09/2012	30/09/2013	30/09/2012
	\$'000	\$'000	\$'000	\$'000

Other operating expenses includes the following items:

Bad debts written off	65	1	74	133
Impairment losses on trade, progress billing and other receivables <sup>(1)</sup>	156	500	63	203
Loss on liquidation of a subsidiary	-	-	1	-
Property, plant and equipment written off	1	2	1	2
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 expense

	Group			
	2nd Quarter ended		6 months ended	
	30/09/2013	30/09/2012	30/09/2013	30/09/2012
	\$'000	\$'000	\$'000	\$'000
Current tax expense				
- current period	259	441	608	1,547
- under/(over) provided in prior years	4	(55)	160	(402)
	<u>263</u>	<u>386</u>	<u>768</u>	<u>1,145</u>
Deferred tax expense/(credit)				
- current period	55	(153)	(90)	(345)
- under/(over) provided in prior years	35	(128)	35	(655)
	<u>90</u>	<u>(281)</u>	<u>(55)</u>	<u>(1,000)</u>
	<u>353</u>	<u>105</u>	<u>713</u>	<u>145</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 2013 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)	
	2nd Quarter ended 30/09/2013	6 months ended 30/09/2013	2nd Quarter ended 30/09/2013	6 months ended 30/09/2013
	\$'000	\$'000	\$'000	\$'000
CMC Construction Pte Ltd <sup>(1)</sup>	Nil	Nil	664	664
Tat Hong Heavyequipment (Pte.) Ltd. <sup>(1)</sup>	Nil	Nil	120	120

Note:

<sup>(1)</sup> 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 Statement of Financial Position

### 1 Property, plant and equipment

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

	Group	
	As at 30/09/2013 \$'000	As at 31/03/2013 \$'000
<b>Cost</b>		
Opening balance	323,886	299,779
Additions	4,517	36,132
Reclassification from inventories	1,299	385
Transfer to assets held for sale	(275)	(3,273)
Disposals/Write-offs	(2,410)	(6,297)
Disposal of subsidiaries	-	(2,111)
Translation differences on consolidation	(1,064)	(729)
Closing balance	<u>325,953</u>	<u>323,886</u>
<b>Accumulated depreciation and impairment losses</b>		
Opening balance	139,319	111,415
Depreciation charge	13,912	31,264
Transfer to assets held for sale	-	(222)
Disposals/Write-offs	(1,339)	(2,154)
Disposal of subsidiaries	-	(742)
Translation differences on consolidation	(408)	(242)
Closing balance	<u>151,484</u>	<u>139,319</u>
Carrying amount	<u>174,469</u>	<u>184,567</u>

### 2 Inventories

	Group	
	As at 30/09/2013 \$'000	As at 31/03/2013 \$'000
Equipment and machinery held for sale	57,030	49,897
Spare parts	8,138	8,160
Construction materials on sites	4,893	5,957
	<u>70,061</u>	<u>64,014</u>

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

	Group	
	As at 30/09/2013 \$'000	As at 31/03/2013 \$'000
Cost incurred and attributable profit	889,796	716,096
Progress billings	(900,066)	(725,893)
	<u>(10,270)</u>	<u>(9,797)</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 30/09/2013	
Secured	Unsecured
\$'000	\$'000
35,415	74,472

As at 31/03/2013	
Secured	Unsecured
\$'000	\$'000
38,036	70,365

#### Amount repayable after one year

As at 30/09/2013	
Secured	Unsecured
\$'000	\$'000
42,336	6,531

As at 31/03/2013	
Secured	Unsecured
\$'000	\$'000
50,485	9,247

#### Details of any collateral

The Group's total borrowings were \$158.8 million (31 March 2013: \$168.1 million) and consist of finance leases and bank loans. Included in the borrowings repayable within one year were bills payable amounting to \$28.8 million (31 March 2013: \$29.2 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 guarantees by the Company, a related corporation and directors of subsidiaries:

- a) \$64,352,000 (31 March 2013: \$71,886,000) in respect of plant and machinery acquired under finance leases;
- b) \$8,125,000 (31 March 2013: \$11,602,000) which are secured by a charge over the leasehold land and properties; and
- c) \$5,274,000 (31 March 2013: \$5,033,000) 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 September 2013, the issued and fully paid-up share capital of the Company was 1,230,243,725 (31 March 2013: 1,230,243,725) ordinary shares.

During the 3 months ended 30 September 2013, the Company completed the buy-back of 2,845,000 ordinary shares. There were 18,025,000 shares held as treasury shares as at 30 September 2013 (30 September 2012: 9,260,000 shares). There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the 3 months ended 30 September 2013.

The total number of ordinary shares issued (excluding treasury shares) as at 30 September 2013 was 1,212,218,725 (31 March 2013: 1,218,628,725) ordinary shares.

As at 30 September 2013, there were no outstanding share options (30 September 2012: 30,310,000) for conversion into 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 2013, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning on or after 1 April 2013.

Financial Reporting Standards (FRS) which became effective for the Group's financial period beginning 1 April 2013 are as follows:

Amendments to FRS 1	<i>Presentation of Items of Other Comprehensive Income</i>
FRS 19	<i>Employee Benefits (revised 2011)</i>
Amendments to FRS 34	<i>Interim Financial Reporting and Segment Information for Total Assets and Liabilities</i>
FRS 113	<i>Fair Value Measurement</i>
Amendments to FRS 107	<i>Offsetting financial assets and financial liabilities</i>

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

The Group has not applied the following accounting standards (including its consequential amendments) and interpretations that have been issued but will be effective for the financial year beginning on or after 1 April 2014:

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>

None of the above is expected to have a significant impact on the Group's financial position or performance.

## Accounting Policies (cont'd)

During the financial period, the Group adopted Amendments to FRS 32 *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities*, which will be effective for the financial year beginning on or after 1 April 2014. Amendments to FRS 32 clarifies the existing criteria for net presentation on the face of the statement of financial position. Under the amendments, to qualify for offsetting, the right to set off a financial asset and a financial liability must not be contingent on a future event and must be enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties.

Prior to the adoption of Amendments to FRS 32, the Group offset receivables and payables due from/to the same counterparty if the Group has the legal right to off set the amounts when it is due and payable based on the contractual terms of the arrangement with the counterparty, and the Group intends to settle the amounts on a net basis. Based on the local laws and regulations in certain jurisdictions in which the counterparties are located, the set-off rights are set aside in the event of bankruptcy of the counterparties.

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

## Earnings Per Share

### (a) Basic earnings per ordinary share

	2nd Quarter ended		6 months ended	
	30/09/2013	30/09/2012	30/09/2013	30/09/2012
Based on the weighted average number of ordinary shares on issue	0.08 cents	0.10 cents	0.13 cents	0.17 cents

	2 <sup>nd</sup> Quarter ended		6 months ended	
	30/09/2013	30/09/2012	30/09/2013	30/09/2012
	\$'000	\$'000	\$'000	\$'000
Basic earnings per ordinary share is based on:				
Net profit attributable to ordinary shareholders	1,010	1,182	1,617	2,043

Basic earnings per ordinary share is based on:  
Net profit attributable to ordinary shareholders

	2nd Quarter ended		6 months ended	
	30/09/2013	30/09/2012	30/09/2013	30/09/2012
	Number of shares			
Weighted average number of: Issued ordinary shares at beginning of the period	1,230,243,725	1,230,243,725	1,230,243,725	1,230,243,725
Ordinary shares held as treasury shares	(17,090,815)	(8,751,304)	(14,993,415)	(8,418,142)
Weighted average number of ordinary shares used to compute earnings per ordinary share	1,213,152,910	1,221,492,421	1,215,250,310	1,221,825,583

### (b) Diluted earnings per ordinary share

	2nd Quarter ended		6 months ended	
	30/09/2013	30/09/2012	30/09/2013	30/09/2012
On a fully diluted basis	0.08 cents	0.10 cents	0.13 cents	0.17 cents

	2 <sup>nd</sup> Quarter ended		6 months ended	
	30/09/2013	30/09/2012	30/09/2013	30/09/2012
	\$'000	\$'000	\$'000	\$'000
Diluted earnings per ordinary share is based on:				
Net profit attributable to ordinary shareholders	1,010	1,182	1,617	2,043

Diluted earnings per ordinary share is based on:  
Net profit attributable to ordinary shareholders



## Earnings Per Share (cont'd)

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	
	30/09/2013	30/09/2012	30/09/2013	30/09/2012
	<b>Number of shares</b>			
Weighted average number of: Ordinary shares used in the calculation of basic earnings per ordinary share	1,213,152,910	1,221,492,421	1,215,250,310	1,221,825,583
Potential ordinary shares issuable under exercise of share options	-	-	-	-
Weighted average number of ordinary issued and potential shares assuming full conversion	<u>1,213,152,910</u>	<u>1,221,492,421</u>	<u>1,215,250,310</u>	<u>1,221,825,583</u>

## Net Asset Value

	As at 30/09/2013	As at 31/03/2013
<b>Group</b>		
Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of the period reported on	16.1 cents	16.0 cents
<b>Company</b>		
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	9.0 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 2013 of 1,212,218,725 (31 March 2013: 1,218,628,725) ordinary shares.

## Variance from Prospect Statement

The current period results are broadly in line with the prospect statement made when the first quarter 2014 financial results were announced.

## Dividend

	1H14	1H13
Name of dividend	-	Interim ordinary
Dividend type	-	Cash
Dividend rate per ordinary share	-	0.04 cents
Tax rate	-	Tax exempt (one-tier)

No dividend has been recommended in the current financial period.

Total interim ordinary dividend paid amounted to \$488,000 in 1H13, which is based on share capital of 1,220,983,725 ordinary shares as at 30 September 2012. The interim ordinary dividend paid represented a payout ratio of 23.9%.

## 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**  
**6 November 2013**



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## **CSC Holdings Limited and its subsidiaries**

### **Independent auditors' report on review of the interim financial information for the six months period ended 30 September 2013**

#### ***Introduction***

We have reviewed the accompanying condensed consolidated financial position of CSC Holdings Limited and its subsidiaries (the "Group") as at 30 September 2013, and the related condensed consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the six months period then ended, and certain explanatory notes (the "Interim Financial Information"). Management is responsible for the preparation and presentation of this Interim Financial Information in accordance with Singapore Financial Reporting Standard ("FRS") 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this Interim Financial Information based on our review.

#### ***Scope of review***

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Information is not prepared, in all material respects, in accordance with FRS 34 *Interim Financial Reporting*.



***Restriction on use***

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the Interim Financial Information for the purpose of assisting the Company to meet the requirements of paragraph 3 of Appendix 7.2 of the Singapore Exchange Limited Listing Manual and for no other purpose. Our report is included in the Company's announcement of its Interim Financial Information for the information of its members. We do not assume responsibility to anyone other than the Company for our work, for our report, or for the conclusions we have reached in our report.

**KPMG LLP**  
*Public Accountants and*  
*Chartered Accountants*

**Singapore**  
6 November 2013