



CSC HOLDINGS LIMITED

(Company Registration Number: 199707845E)

Financial Statements

for the Third Quarter Ended

31 December 2009

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Review of the Performance of the Group

CONSOLIDATED INCOME STATEMENT

2Q10 – for the 3 months ended 30 September 2009

3Q10 – for the 3 months ended 31 December 2009

1H10 – for the 6 months ended 30 September 2009

9M10 – for the 9 months ended 31 December 2009

9M09 – for the 9 months ended 31 December 2008

Review of Results for the Third Quarter Ended 31 December 2009

| | 3Q10 \$'000 | 2Q10 \$'000 | Change % |
|--------------------------|----------------|----------------|-------------|
| Revenue | 72,262 | 70,373 | 2.7 |
| Gross Profit | 10,681 | 14,539 | (26.5) |
| Operating Expenses | (4,634) | (4,334) | 6.9 |
| Net Finance Expenses | (700) | (1,306) | (46.4) |
| Profit Before Income Tax | 6,352 | 9,834 | (35.4) |
| Profit For The Period | 5,019 | 8,096 | (38.0) |

Revenue

In 3Q10, CSC Holdings Limited and its subsidiaries (collectively referred to as “the Group”) saw a slight improvement in business activities. This resulted in a marginal 2.7% increase in 3Q10 revenue to \$72.3 million as compared to \$70.4 million in 2Q10.

Financial year 2009 was an exceptionally strong year for the construction industry. Coupled with the impact of the global financial crisis, revenue for 9M10 fell by 51% to \$224.0 million (9M09: \$457.2 million).

Gross Profit

Many construction projects were delayed due to uncertain market conditions and availability of funding. This resulted in excess capacity and consequently contract prices were under pressure.

Declining contract prices in 3Q10 led to lower gross margins recorded in the quarter under review. Gross profit margins (“GPM”) for 3Q10 came in at 14.8% which was lower than the 20.7% achieved in 2Q10.

GPM for 9M10 registered a slight improvement to 18.0% as compared to 17.1% in 9M09, largely assisted by better GPM achieved in 1H10.

Other Income

The Group recorded a loss on disposal of some \$0.2 million on some old equipment sold in 3Q10. Save for this expense, other income would have been \$0.2 million (2Q10: \$0.4 million).

Operating Expenses

Administrative, distribution and other operating expenses (“Operating Expenses”) for 3Q10 was \$4.6 million which was comparable to \$4.3 million recorded in 2Q10. The Group did incur some one-off costs amounting to \$0.1 million to wind down its steel fabrication operations. The Group’s Operating Expenses to Revenue ratio for 3Q10 was 6.4% (2Q10: 6.2%).

Operating Expenses for 9M10 was \$14.9 million (9M09: \$31.1 million) a 52.0% decline reflecting the decrease in revenue and activity for the current financial year. The ratio of Operating Expenses to Revenue for 9M10 was 6.7% (9M09: 6.8%).

Finance Expenses

| | 3Q10 \$'000 | 2Q10 \$'000 | Change % |
|---|------------------------|------------------------|---------------------|
| Interest Income | 13 | 11 | 18.2 |
| Interest Expenses | (894) | (889) | 0.6 |
| Net Gain/(Loss) on Remeasurement of Non-Current Retention Sums | 181 | (428) | (142.3) |
| | (700) | (1,306) | (46.4) |

The Group recorded Net Finance Expenses of \$0.7 million and \$3.1 million for 3Q10 and 9M10 respectively (2Q10: \$1.3 million and 9M09: \$3.8 million). There was a net accounting gain of \$0.2 million arising from stating the Group's non-current retention sums at amortised cost in accordance with FRS 39 Financial Instruments: Recognition and Measurement.

Share of Profit/(Loss) of Associates

Share of associates results recorded a turnaround from a loss of \$55,000 to a profit of \$1.0 million, and a loss of \$0.2 million to a profit \$1.5 million for 3Q10 and 9M10 respectively. This was mainly due to a significant improvement in the performance of an associated company specializing in pre-cast concrete products driven by strong demand for its products and services, particularly from the public housing sector.

Profit After Tax

Taking into consideration the above factors, Net Profit After Tax was \$5.0 million for 3Q10, representing a decline of 38.0% as compared to 2Q10.

For 9M10 the Group recorded a Net Profit after Tax of \$19.8 million (9M09 : \$35.9 million).

Basic earnings per share was 0.36 cents and 1.50 cents for 3Q10 and 9M10 respectively (2Q10: 0.64 cents and 9M09: 2.82 cents).

BALANCE SHEETS

Property, Plant and Equipment

Property, plant and equipment for the Group was \$124.2 million as of 31 December 2009 (31 March 2009: \$128.4 million). For the nine months ended 31 December 2009, the Group acquired \$12.0 million worth of fixed assets mainly plant and equipment for 9M10 while incurring a depreciation charge of \$15.6 million and disposing \$0.5 million of plant and equipment respectively.

Non-current Trade and Other Receivables

Non-current trade and other receivables stood at \$15.3 million as of 31 December 2009 (31 March 2009: \$18.8 million) and consists of retention sums which are due after twelve months. The decrease is due to retention sums, which have been reclassified to current debts as they are due to be collected within 12 months of 31 December 2009.

Net Current Assets

Net current assets increased to \$75.6 million as of 31 December 2009 (31 March 2009: \$63.8 million) and the current ratio (current assets / current liabilities) was 1.51 (31 March 2009: 1.35).

Inventories

As of 31 December 2009, inventories in the books was higher at \$27.4 million (31 March 2009: \$26.3 million), as the Group had stocked up on construction materials required for upcoming projects.

Trade and Other Receivables

Trade and other receivables was \$150.6 million (31 March 2009: \$178.4 million), a decrease of some 15.5%. This was in tandem with the lower revenue recorded for the period under review.

Borrowings

The Group's borrowings and debt to equity ratio decreased to \$72.6 million (31 March 2009: \$82.1 million) and 0.40 respectively (31 March 2009: 0.49). The decrease was due to the net repayment of bank borrowings during the period under review.

Equity and Net Asset Value

Group equity as of 31 December 2009 increased to \$183.1 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 \$12.2 million. This takes into consideration profits retained by the Group amounting to \$18.0 million, increase in share option reserve of \$1.0 million and off-set by \$7.0 million of dividend payment.

The Group's net asset value per share as of 31 December 2009 had improved by 8.7% to 15.0 cents as compared to 13.8 cents as at 31 March 2009.

CASH FLOW

| | 3Q10 \$'000 | 2Q10 \$'000 | Change % |
|--|----------------|----------------|-------------|
| Cash Flow from Operating Activities | 13,274 | 6,227 | 113.17 |
| Cash Flow from Investing Activities | (1,941) | (4,793) | (59.50) |
| Cash Flow from Financing Activities | (6,292) | (10,903) | (42.29) |
| Cash and Cash Equivalents | 30,225 | 25,196 | 19.96 |

Cash and cash equivalents as at 31 December 2009 had increased by \$5.0 million to \$30.2 million (2Q10: \$25.2 million). This came about as a result of higher cash flow generated from operating activities in 3Q10 and a marked reduction in investing and financing activities for 3Q10.

Cash Flow from Operating Activities

There was an improvement in cash flow from operating activities from \$6.2 million in 2Q10 to \$13.3 million in 3Q10 which was achieved through diligent monitoring of receivables and the Group's working capital.

Operating cash flow for 9M10 was \$35.8 million (9M09: \$56.2 million) due largely to the lower amount of profits recorded of \$19.8 million for 9M10 (9M09: \$35.9 million).

Cash Flow from Investing Activities

Investing Activities slowed down markedly in 3Q10 as compared to 2Q10 as can be seen by the decline to \$1.9 million as compared to \$4.8 million.

Similarly, investing activities for 9M10 was also markedly lower at \$7.1 million as compared to \$23.5 million recorded in 9M09. This reflects the lower level of business activities for the current financial period.

Cash Flow from Financing Activities

The Group had net cash outflow from financing activities for 3Q10 of \$6.3 million as compared to \$10.9 million in 2Q10. The lower cash outflow reflects the drawdown of some \$5 million of term loans offered under the Singapore Government's credit scheme. The Group paid out an interim dividend of \$2.4 million for financial year ending 31 March 2010 in 3Q10.

Net cash outflow for 9M10 was \$24.1 million (9M09: \$38.8 million) which took into account \$10 million worth of term loans taken under the Singapore Government's credit scheme.

Outlook

Construction demand in 3Q2009 was lower than that in 2008 levels. Private sector demand remains weak in 2009. Public sector projects led by various major civil engineering projects, continued to drive construction demand in 2009. In 2010, there will be more infrastructure projects in the pipeline which require a considerable amount of foundation works and this bodes well for the Group.

On a positive note, the Group's overseas foray has begun to bear fruit. In Malaysia, some of the Group's notable foundation-related project wins include Neo Damansara, a mixed commercial project, Plaza 33 in Petaling Jaya, the Kuala Lumpur General Hospital extension and the Hospital University Kebangsaan Malaysia at Cheras. To this end, CSC will continue to seek opportunities in Vietnam and Malaysia.

The Board of Directors are optimistic that the Group will be profitable in the remaining quarter of the financial year.

The Group's order book as at 3 February 2010 stood at approximately \$127 million (3 November 2009: \$107 million).

Consolidated Income Statement for the 3rd Quarter ended 31 December 2009

| | Note | Group | | | Group | | |
|--|------|-------------------|-----------|--------|----------------|-----------|--------|
| | | 3rd Quarter ended | | Change | 9 months ended | | Change |
| | | 31-Dec-09 | 31-Dec-08 | | 31-Dec-09 | 31-Dec-08 | |
| | | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % |
| Revenue | | 72,262 | 123,096 | (41.3) | 223,993 | 457,226 | (51.0) |
| Cost of sales | A | (61,581) | (102,785) | (40.1) | (183,654) | (379,162) | (51.6) |
| Gross profit | | 10,681 | 20,311 | (47.4) | 40,339 | 78,064 | (48.3) |
| Other income | B | 12 | 1,061 | (98.9) | 710 | 2,656 | (73.3) |
| Distribution expenses | | (44) | (69) | (36.2) | (91) | (143) | (36.4) |
| Administrative expenses | | (207) | (332) | (37.7) | (726) | (1,232) | (41.1) |
| Other operating expenses | C | (4,383) | (9,237) | (52.5) | (14,103) | (29,731) | (52.6) |
| Results from operating activities | | 6,059 | 11,734 | (48.4) | 26,129 | 49,614 | (47.3) |
| Finance income | | 13 | 10 | 30.0 | 32 | 41 | (22.0) |
| Finance expenses | | (713) | (1,154) | (38.2) | (3,175) | (3,875) | (18.1) |
| Net finance expenses | D | (700) | (1,144) | (38.8) | (3,143) | (3,834) | (18.0) |
| Share of profit/(loss) of associates | | 993 | (55) | N.M. | 1,521 | (165) | N.M. |
| Profit before income tax | | 6,352 | 10,535 | (39.7) | 24,507 | 45,615 | (46.3) |
| Income tax expense | E | (1,333) | (2,330) | (42.8) | (4,711) | (9,752) | (51.7) |
| Profit for the period | | 5,019 | 8,205 | (38.8) | 19,796 | 35,863 | (44.8) |
| Attributable to: | | | | | | | |
| Equity holders of the Company | | 4,456 | 7,515 | (40.7) | 18,356 | 33,467 | (45.2) |
| Minority interests | | 563 | 690 | (18.4) | 1,440 | 2,396 | (39.9) |
| Profit for the period | | 5,019 | 8,205 | | 19,796 | 35,863 | |

Consolidated Statement of Comprehensive Income for the 3rd Quarter ended 31 December 2009

| | Group | | | Group | | |
|---|-------------------|--------------|---------------|----------------|---------------|---------------|
| | 3rd Quarter ended | | Change | 9 months ended | | Change |
| | 31-Dec-09 | 31-Dec-08 | | 31-Dec-09 | 31-Dec-08 | |
| | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % |
| Profit for the period | 5,019 | 8,205 | (38.8) | 19,796 | 35,863 | (44.8) |
| Other comprehensive income/(expense) | | | | | | |
| Translation differences relating to financial statements of foreign subsidiaries and associates | 89 | (79) | (212.7) | (23) | (500) | (95.4) |
| Translation differences relating to dilution of interests in subsidiaries | - | - | N.A. | - | 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 | - | (10) | (100.0) | - | (10) | (100.0) |
| Net change in fair value of available-for-sale financial assets transferred to income statement | - | - | N.A. | 10 | - | N.A. |
| Other comprehensive income/(expense) for the period, net of tax | 89 | (89) | (200.0) | (13) | (428) | (97.0) |
| Total comprehensive income for the period | 5,108 | 8,116 | (37.1) | 19,783 | 35,435 | (44.2) |
| Attributable to: | | | | | | |
| Equity holders of the Company | 4,538 | 7,426 | (38.9) | 18,345 | 33,039 | (44.5) |
| Minority interests | 570 | 690 | (17.4) | 1,438 | 2,396 | (40.0) |
| Total comprehensive income for the period | 5,108 | 8,116 | | 19,783 | 35,435 | |

Balance Sheets as at 31 December 2009

| DESCRIPTION | Note | Group | | Company | |
|------------------------------------|------|-----------|-----------|-----------|-----------|
| | | 31-Dec-09 | 31-Mar-09 | 31-Dec-09 | 31-Mar-09 |
| | | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Non-current assets | | | | | |
| Property, plant and equipment | 1 | 124,202 | 128,418 | 9 | 13 |
| Intangible assets | | 2,979 | 2,038 | - | - |
| Investments in: | | | | | |
| - subsidiaries | | - | - | 58,235 | 57,347 |
| - associates | | 1,593 | - | - | - |
| Quoted shares, available-for-sale | | - | 2 | - | - |
| Trade and other receivables | | 15,277 | 18,815 | - | - |
| Other non-current assets | | 49 | 49 | - | - |
| | | 144,100 | 149,322 | 58,244 | 57,360 |
| Current assets | | | | | |
| Inventories | 2 | 27,379 | 26,330 | - | - |
| Land held for development and sale | | 12,246 | 10,995 | - | - |
| Trade and other receivables | | 150,641 | 178,350 | 46,574 | 38,701 |
| Cash and cash equivalents | | 33,525 | 29,887 | 3,230 | 4,210 |
| Assets classified as held for sale | 1 | 126 | - | - | - |
| | | 223,917 | 245,562 | 49,804 | 42,911 |
| Total assets | | 368,017 | 394,884 | 108,048 | 100,271 |
| | | | | | |

Balance Sheets as at 31 December 2009 (cont'd)

| DESCRIPTION | Note | Group | | Company | |
|--|------|-----------|-----------|-----------|-----------|
| | | 31-Dec-09 | 31-Mar-09 | 31-Dec-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 | | 109,852 | 97,660 | 37,293 | 23,476 |
| | | 174,378 | 162,038 | 101,819 | 87,854 |
| Minority interests | | 8,686 | 6,853 | - | - |
| Total equity | | 183,064 | 168,891 | 101,819 | 87,854 |
| Non-current liabilities | | | | | |
| Financial liabilities | | 32,271 | 40,699 | 1,117 | 5,083 |
| Deferred tax liabilities | | 4,362 | 3,529 | - | - |
| | | 36,633 | 44,228 | 1,117 | 5,083 |
| Current liabilities | | | | | |
| Financial liabilities | | 31,820 | 31,987 | 3,091 | 2,973 |
| Trade and other payables | | 100,629 | 125,476 | 2,021 | 4,361 |
| Excess of progress billings over construction work-in-progress | 3 | 9,249 | 12,234 | - | - |
| Current tax payable | | 6,622 | 12,068 | - | - |
| | | 148,320 | 181,765 | 5,112 | 7,334 |
| Total liabilities | | 184,953 | 225,993 | 6,229 | 12,417 |
| Total equity and liabilities | | 368,017 | 394,884 | 108,048 | 100,271 |
| | | | | | |

Consolidated Statement of Cash Flows for the 3rd Quarter ended 31 December 2009

| | 3rd Quarter ended | | 9 months ended | |
|---|-------------------|------------------|------------------|------------------|
| | <u>31-Dec-09</u> | <u>31-Dec-08</u> | <u>31-Dec-09</u> | <u>31-Dec-08</u> |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Operating activities | | | | |
| Profit for the period | 5,019 | 8,205 | 19,796 | 35,863 |
| Adjustments for: | | | | |
| Allowances (reversed)/made for: | | | | |
| - foreseeable losses on construction work-in-progress | (317) | 17 | (658) | 249 |
| - foreseeable losses on land held for sale | (1,466) | - | (1,300) | 300 |
| - inventory obsolescence | - | - | - | 324 |
| Amortisation of: | | | | |
| - intangible assets | - | 58 | - | 176 |
| - lease prepayment | - | 63 | - | 189 |
| Depreciation of property, plant and equipment | 5,394 | 5,243 | 15,646 | 14,959 |
| Impairment losses (reversed)/recognised on: | | | | |
| - investment in and balance with an associate | - | - | (335) | 80 |
| - goodwill on consolidation | - | - | - | 500 |
| - property, plant and equipment | - | - | (126) | 1,499 |
| - trade, progress billing and other receivables | (393) | 78 | (1,839) | 2,163 |
| Loss on dilution of interests in subsidiaries | - | - | - | 125 |
| (Gain)/loss on disposal of: | | | | |
| - an associate | - | - | - | (116) |
| - property, plant and equipment | 218 | (432) | (23) | (1,050) |
| Net finance expenses | 700 | 1,144 | 3,143 | 3,834 |
| Property, plant and equipment written off | 56 | 18 | 76 | 77 |
| Share of (profit)/loss of associates | (993) | 55 | (1,521) | 165 |
| Share option expense | 126 | 567 | 1,020 | 1,606 |
| Income tax expense | 1,333 | 2,330 | 4,711 | 9,752 |
| | 9,677 | 17,346 | 38,590 | 70,695 |
| Changes in working capital: | | | | |
| Inventories | (1,869) | 3,109 | 456 | (2,869) |
| Land held for development and sale | 49 | - | 49 | - |
| Trade, progress billing and other receivables | 7,244 | 21,384 | 31,146 | 7,162 |
| Trade and other payables | 1,895 | (15,379) | (24,727) | (7,766) |
| Cash generated from operations | 16,996 | 26,460 | 45,514 | 67,222 |
| Income taxes paid | (3,734) | (4,421) | (9,776) | (11,083) |
| Interest received | 12 | 10 | 29 | 41 |
| Cash flows from operating activities | 13,274 | 22,049 | 35,767 | 56,180 |

Consolidated Statement of Cash Flows for the 3rd Quarter ended 31 December 2009 (cont'd)

| | 3rd Quarter ended | | 9 months ended | |
|--|-------------------|-----------------|-----------------|-----------------|
| | 31-Dec-09 | 31-Dec-08 | 31-Dec-09 | 31-Dec-08 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Investing activities | | | | |
| Purchase of property, plant and equipment | (486) | (10,468) | (5,976) | (22,459) |
| Proceeds from disposal of: | | | | |
| - interest in an associate | - | - | - | 116 |
| - property, plant and equipment | 109 | 988 | 410 | 2,607 |
| - quoted shares, available-for-sale | - | - | 5 | - |
| Acquisition of subsidiaries, net of cash acquired | (1,745) | - | (1,745) | (2,634) |
| Decrease/(increase) in non-trade amounts owing by: | | | | |
| - associates | 179 | (890) | 170 | (1,089) |
| - related corporations | 2 | - | - | - |
| Cash flows from investing activities | (1,941) | (10,370) | (7,136) | (23,459) |
| Financing activities | | | | |
| Interest paid | (902) | (1,282) | (2,808) | (3,765) |
| Dividend paid: | | | | |
| - shareholders of the Company | (2,449) | (2,784) | (6,979) | (13,518) |
| - minority shareholder of a subsidiary | (45) | - | (45) | - |
| Proceeds from: | | | | |
| - bank loans | 5,000 | 743 | 10,000 | 3,500 |
| - capital contribution from a minority shareholder | - | - | - | 13 |
| - issue of shares under share option scheme | - | - | 95 | 3,002 |
| Repayment of: | | | | |
| - bank loans | (1,493) | (3,092) | (5,205) | (12,314) |
| - finance lease liabilities | (6,263) | (5,944) | (19,172) | (15,446) |
| Increase in non-trade amount owing to a related corporation | 1 | - | 1 | - |
| Purchase of treasury shares | (141) | (13) | (141) | (13) |
| Decrease/(increase) in fixed deposits pledged | - | - | 131 | (228) |
| Cash flows from financing activities | (6,292) | (12,372) | (24,123) | (38,769) |
| Net increase/(decrease) in cash and cash equivalents | 5,041 | (693) | 4,508 | (6,048) |
| Cash and cash equivalents at beginning of the period | 25,196 | 14,829 | 25,749 | 20,188 |
| Effect of exchange rate changes on balances held in foreign currencies | (12) | (3) | (32) | (7) |
| Cash and cash equivalents at end of the period | 30,225 | 14,133 | 30,225 | 14,133 |
| Comprising: | | | | |
| Cash and cash equivalents | 33,525 | 20,638 | 33,525 | 20,638 |
| Bank overdrafts | (3,202) | (6,277) | (3,202) | (6,277) |
| | 30,323 | 14,361 | 30,323 | 14,361 |
| Less: | | | | |
| Fixed deposits pledged as security for bank facilities | (98) | (228) | (98) | (228) |
| Cash and cash equivalents in the consolidated cash flow statement | 30,225 | 14,133 | 30,225 | 14,133 |

Statements of Changes in Equity for the 3rd Quarter ended 31 December 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 October 2008 | 63,627 | 17,798 | - | 116 | - | 2,399 | (446) | 63 | 65,567 | 149,124 | 6,593 | 155,717 |
| Total comprehensive (expense)/income for the period | - | - | - | - | (10) | - | (79) | - | 7,515 | 7,426 | 690 | 8,116 |
| Value of employee services received for issue of share options | - | - | - | - | - | 567 | - | - | - | 567 | - | 567 |
| Acquisition of a subsidiary | - | - | - | - | - | - | - | - | - | - | (5) | (5) |
| Purchase of treasury shares | - | - | (13) | - | - | - | - | - | - | (13) | - | (13) |
| Dividend paid in respect of financial year 2009 - Interim dividend of 0.23 cents per share (tax-exempt one-tier) | - | - | - | - | - | - | - | - | (2,784) | (2,784) | - | (2,784) |
| At 31 December 2008 | 63,627 | 17,798 | (13) | 116 | (10) | 2,966 | (525) | 63 | 70,298 | 154,320 | 7,278 | 161,598 |
| At 1 October 2009 | 64,526 | 17,798 | (151) | 116 | - | 4,410 | (750) | - | 86,355 | 172,304 | 7,721 | 180,025 |
| Total comprehensive income for the period | - | - | - | - | - | - | 82 | - | 4,456 | 4,538 | 570 | 5,108 |
| Forfeiture of share options | - | - | - | - | - | (30) | - | - | 30 | - | - | - |
| Value of employee services received for issue of share options | - | - | - | - | - | 126 | - | - | - | 126 | - | 126 |
| Acquisition of a subsidiary | - | - | - | - | - | - | - | - | - | - | 440 | 440 |
| Purchase of treasury shares | - | - | (141) | - | - | - | - | - | - | (141) | - | (141) |
| Dividend paid in respect of financial year 2010 - Interim dividend of 0.20 cents per share (tax-exempt one-tier) | - | - | - | - | - | - | - | - | (2,449) | (2,449) | - | (2,449) |
| Dividend paid to a minority shareholder | - | - | - | - | - | - | - | - | - | - | (45) | (45) |
| At 31 December 2009 | 64,526 | 17,798 | (292) | 116 | - | 4,506 | (668) | - | 88,392 | 174,378 | 8,686 | 183,064 |

Statements of Changes in Equity for the 3rd Quarter ended 31 December 2009 (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>Other reserve</u> | <u>Accumulated profits</u> | <u>Total</u> |
|--|----------------------|------------------------|-------------------------------|-----------------------------|----------------------|----------------------------|----------------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| At 1 October 2008 | 63,627 | 17,798 | - | 2,399 | 63 | 1,355 | 85,242 |
| Total comprehensive expense for the period | - | - | - | - | - | (291) | (291) |
| Value of employee services received for issue of share options | - | - | - | 567 | - | - | 567 |
| Purchase of treasury shares | - | - | (13) | - | - | - | (13) |
| Dividend paid in respect of financial year 2009 - Interim dividend of 0.23 cents per share (tax-exempt one-tier) | - | - | - | - | - | (2,784) | (2,784) |
| At 31 December 2008 | 63,627 | 17,798 | (13) | 2,966 | 63 | (1,720) | 82,721 |
| At 1 October 2009 | 64,526 | 17,798 | (151) | 4,410 | - | 9,430 | 96,013 |
| Total comprehensive expense for the period | - | - | - | - | - | 8,270 | 8,270 |
| Forfeiture of share options | - | - | - | (30) | - | 30 | - |
| Value of employee services received for issue of share options | - | - | - | 126 | - | - | 126 |
| Purchase of treasury shares | - | - | (141) | - | - | - | (141) |
| Dividend paid in respect of financial year 2010 - Interim dividend of 0.20 cents per share (tax-exempt one-tier) | - | - | - | - | - | (2,449) | (2,449) |
| At 31 December 2009 | 64,526 | 17,798 | (292) | 4,506 | - | 15,281 | 101,819 |

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 third quarter results for the period from 1 October 2009 to 31 December 2009 ("3Q10") with comparative figures for the 3 months period from 1 October 2008 to 31 December 2008 ("3Q09").

A Cost of sales

| Group | | | |
|-------------------|------------|----------------|------------|
| 3rd Quarter ended | | 9 months ended | |
| 31/12/2009 | 31/12/2008 | 31/12/2009 | 31/12/2008 |
| 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 | (317) | 17 | (658) | 249 |
| - foreseeable losses on land held for sale | (1,466) | - | (1,300) | 300 |
| - inventory obsolescence | - | - | - | 324 |
| Depreciation of property, plant and equipment | 5,159 | 5,012 | 14,979 | 14,108 |
| Impairment losses (reversed)/recognised on property, plant and equipment ⁽¹⁾ | - | - | (126) | 1,499 |
| Property, plant and equipment written off | 56 | - | 62 | - |

⁽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 | | | |
|-------------------|------------|----------------|------------|
| 3rd Quarter ended | | 9 months ended | |
| 31/12/2009 | 31/12/2008 | 31/12/2009 | 31/12/2008 |
| S\$'000 | S\$'000 | S\$'000 | S\$'000 |

Other income includes the following items:

Gain/(loss) on disposal of:

| | | | | |
|---------------------------------|-------|-----|----|-------|
| - an associate ⁽²⁾ | - | - | - | 116 |
| - property, plant and equipment | (218) | 432 | 23 | 1,050 |

⁽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 | | | |
|--|-------------------|------------|----------------|------------|
| | 3rd Quarter ended | | 9 months ended | |
| | 31/12/2009 | 31/12/2008 | 31/12/2009 | 31/12/2008 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |

Other operating expenses includes the following items:

| | | | | |
|--|-------|-----|---------|-------|
| Amortisation of: | | | | |
| - intangible assets ⁽³⁾ | - | 58 | - | 176 |
| - lease prepayment | - | 63 | - | 189 |
| Bad debts written off | 16 | (1) | 75 | 45 |
| Depreciation of property, plant and equipment | 235 | 231 | 667 | 851 |
| Exchange loss | 60 | 155 | 435 | 89 |
| Impairment losses (reversed)/recognised on: | | | | |
| - investment in and balance with an associate | - | - | (335) | 80 |
| - goodwill on consolidation | - | - | - | 500 |
| - trade, progress billing & other receivables ⁽⁴⁾ | (393) | 78 | (1,839) | 2,163 |
| Loss on dilution of interests in subsidiaries | - | - | - | 125 |
| Property, plant and equipment written off | - | 18 | 14 | 77 |
| Share option expense | 126 | 567 | 1,020 | 1,606 |

⁽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. 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 9M10 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 | | | |
|--|-------------------|------------|----------------|------------|
| | 3rd Quarter ended | | 9 months ended | |
| | 31/12/2009 | 31/12/2008 | 31/12/2009 | 31/12/2008 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Current tax expense | | | | |
| - current period | 1,442 | 3,388 | 3,966 | 11,587 |
| - under provided in prior years | - | - | 134 | 949 |
| | 1,442 | 3,388 | 4,100 | 12,536 |
| Deferred tax (income)/expense | | | | |
| - current period | (120) | (1,058) | 600 | (2,203) |
| - under/(over) provided in prior years | 11 | - | 11 | (581) |
| | (109) | (1,058) | 611 | (2,784) |
| | 1,333 | 2,330 | 4,711 | 9,752 |

Notes to the Consolidated Income Statement (cont'd)

F Interested person transactions

Interested person transactions carried out during the 3rd quarter ended 31 December 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) |
|--|--|--|
| Tat Hong Heavyequipment (Pte.) Ltd. ⁽¹⁾ | NIL | S\$2,354,000 |
| Tat Hong Plant Leasing Pte Ltd ⁽¹⁾ | NIL | S\$2,813,000 |

Note:

⁽¹⁾ Tat Hong Heavyequipment (Pte.) Ltd. and Tat Hong Plant Leasing 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 31/12/2009 S\$'000 | As at 31/03/2009 S\$'000 |
| Cost | | |
| Opening balance | 190,744 | 139,956 |
| Additions | 10,830 | 53,891 |
| Assets acquired through business combinations | 1,219 | 2,000 |
| Disposal of a subsidiary | - | (110) |
| Disposals/Write-offs | (6,534) | (4,462) |
| Transfer to assets held for sale | (2,394) | - |
| Translation differences on consolidation | (213) | (531) |
| Closing balance | <u>193,652</u> | <u>190,744</u> |
| Accumulated depreciation and impairment losses | | |
| Opening balance | 62,326 | 37,544 |
| Additions | 15,520 | 27,090 |
| Disposal of a subsidiary | - | (86) |
| Disposals/Write-offs | (6,071) | (2,168) |
| Transfer to assets held for sale | (2,268) | - |
| Translation differences on consolidation | (57) | (54) |
| Closing balance | <u>69,450</u> | <u>62,326</u> |
| Carrying amount | <u>124,202</u> | <u>128,418</u> |

2 Inventories

| | Group | |
|---------------------------------------|--------------------------------|--------------------------------|
| | As at 31/12/2009 S\$'000 | As at 31/03/2009 S\$'000 |
| Equipment and machinery held for sale | 18,876 | 19,235 |
| Spare parts | 3,151 | 2,500 |
| Materials on sites | 5,352 | 4,850 |
| | <u>27,379</u> | <u>26,585</u> |
| Allowance for inventory obsolescence | - | (255) |
| | <u>27,379</u> | <u>26,330</u> |

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

| | Group | |
|---------------------------------------|--------------------------------|--------------------------------|
| | As at 31/12/2009 S\$'000 | As at 31/03/2009 S\$'000 |
| Cost incurred and attributable profit | 1,102,576 | 1,035,197 |
| Allowance for foreseeable losses | (1,018) | (1,676) |
| | <u>1,101,558</u> | <u>1,033,521</u> |
| Progress billings | (1,110,807) | (1,045,755) |
| | <u>(9,249)</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 31/12/2009 | |
|------------------|-----------|
| Secured | Unsecured |
| S\$'000 | S\$'000 |
| 40,350 | - |

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

Amount repayable after one year

| As at 31/12/2009 | |
|------------------|-----------|
| Secured | Unsecured |
| S\$'000 | S\$'000 |
| 32,271 | - |

| 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\$72.6 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\$8.5 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 31 December 2009, the issued and fully paid-up share capital of the Company was 1,226,243,725 (30 September 2009: 1,226,243,725) ordinary shares.

As at 31 December 2009, the Company held 2,750,000 (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 31 December 2009.

The total number of ordinary shares issued (excluding treasury shares) as at 31 December 2009 was 1,223,493,725 (31 March 2009: 1,223,343,725) ordinary shares.

As at 31 December 2009, there were outstanding share options for conversion into 88,810,000 (30 September 2009: 89,870,000) ordinary shares under the CSC Executive Share Option Scheme 2004.

As at 31 December 2009, there were no outstanding Convertible Notes for conversion into ordinary shares (31 December 2008: 17,736,416 ordinary shares).

Audit

The Group's figures have not been audited or reviewed by the Company's auditors.

Accounting Policies

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 March 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

| | 3rd Quarter ended | | 9 months ended | |
|--|-------------------|------------|----------------|------------|
| | 31/12/2009 | 31/12/2008 | 31/12/2009 | 31/12/2008 |
| Based on the weighted average number of ordinary shares on issue | 0.36 cents | 0.62 cents | 1.50 cents | 2.82 cents |

| | 3rd Quarter ended | | 9 months ended | |
|--|-------------------|------------|----------------|------------|
| | 31/12/2009 | 31/12/2008 | 31/12/2009 | 31/12/2008 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Basic earnings per ordinary share is based on: Net profit attributable to ordinary shareholders | 4,456 | 7,515 | 18,356 | 33,467 |

| | 3rd Quarter ended | | 9 months ended | |
|--|-------------------|---------------|----------------|---------------|
| | 31/12/2009 | 31/12/2008 | 31/12/2009 | 31/12/2008 |
| | Number of shares | | | |
| Weighted average number of: Issued ordinary shares at beginning of the period | 1,226,243,725 | 1,210,396,197 | 1,225,243,725 | 1,147,864,781 |
| Ordinary shares issued arising from exercise of share options | - | 1,273,913 | 763,636 | 34,971,593 |
| Ordinary shares issued arising from conversion of convertible notes | - | - | - | 5,998,133 |
| Ordinary shares held as treasury shares | (2,043,043) | (68,478) | (1,947,855) | (22,909) |
| Weighted average number of ordinary shares used to compute earnings per ordinary share | 1,224,200,682 | 1,211,601,632 | 1,224,059,506 | 1,188,811,598 |

(b) Diluted earnings per ordinary share

| | 3rd Quarter ended | | 9 months ended | |
|--------------------------|-------------------|------------|----------------|------------|
| | 31/12/2009 | 31/12/2008 | 31/12/2009 | 31/12/2008 |
| On a fully diluted basis | 0.36 cents | 0.61 cents | 1.49 cents | 2.74 cents |

| | 3rd Quarter ended | | 9 months ended | |
|--|-------------------|------------|----------------|------------|
| | 31/12/2009 | 31/12/2008 | 31/12/2009 | 31/12/2008 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Diluted earnings per ordinary share is based on: Net profit attributable to ordinary shareholders | 4,456 | 7,515 | 18,356 | 33,467 |
| Imputed interest on convertible notes, net of tax effect | - | 10 | - | 51 |
| Net profit attributable to ordinary shareholders, adjusted for the effect of conversion of convertible notes | 4,456 | 7,525 | 18,356 | 33,518 |

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:-

| | 3rd Quarter ended | | 9 months ended | |
|--|-------------------------|----------------------|----------------------|----------------------|
| | 31/12/2009 | 31/12/2008 | 31/12/2009 | 31/12/2008 |
| | Number of shares | | | |
| Weighted average number of: Ordinary shares used in the calculation of basic earnings per ordinary share | 1,224,200,682 | 1,211,601,632 | 1,224,059,506 | 1,188,811,598 |
| Potential ordinary shares issuable under exercise of share options | 4,109,459 | 809,564 | 5,633,591 | 3,246,849 |
| Potential ordinary shares issuable under conversion of convertible notes | - | 17,736,421 | - | 29,474,704 |
| Weighted average number of ordinary issued and potential shares assuming full conversion | <u>1,228,310,141</u> | <u>1,230,147,617</u> | <u>1,229,693,097</u> | <u>1,221,533,151</u> |

Net Asset Value

| | <u>As at 31/12/2009</u> | <u>As at 31/03/2009</u> |
|---|-----------------------------|-----------------------------|
| <u>Group</u> | | |
| Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of the period reported on | 15.0 cents | 13.8 cents |
| <u>Company</u> | | |
| Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of the period reported on | 8.3 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 31 December 2009 of 1,223,493,725 (31 March 2009: 1,223,343,725) ordinary shares.

Dividend

No dividend has been declared/recommended in the current financial period and the corresponding period of the immediately preceding financial year.

Confirmation

The directors of the Company confirm that to the best of their knowledge, nothing has come to their attention which may render the financial results for the period under review to be false or misleading in any material respect.

By Order of the Board

Lee Quang Loong
Chief Financial Officer / Company Secretary
5 February 2010