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First Quarter Results * Financial Statement And Related Announcement

* Asterisks denote mandatory information

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Announcement is submitted with respect to *	CSC HOLDINGS LTD
Announcement is submitted by *	Lee Quang Loong
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The details of the announcement start here ...

For the Financial Period Ended *	30-06-2013
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CSC HOLDINGS LIMITED

(Company Registration Number: 199707845E)

Financial Statements Announcement

for the First Quarter Ended 30 June 2013

(For the Financial Year Ending 31 March 2014)

Table of Contents

Page

REVIEW OF THE PERFORMANCE OF THE GROUP	3
CONSOLIDATED INCOME STATEMENT	3
STATEMENT OF FINANCIAL POSITION	5
CASH FLOW.....	6
OUTLOOK	7
CONSOLIDATED INCOME STATEMENT FOR THE 3 MONTHS ENDED 30 JUNE 2013	8
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE 3 MONTHS ENDED 30 JUNE 2013	9
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013	10
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 3 MONTHS ENDED 30 JUNE 2013	12
STATEMENTS OF CHANGES IN EQUITY FOR THE 3 MONTHS ENDED 30 JUNE 2013	14
NOTES TO THE FINANCIAL STATEMENTS	16
NOTES TO THE CONSOLIDATED INCOME STATEMENT	16
A <i>Cost of sales</i>	16
B <i>Other income</i>	16
C <i>Administrative and other operating expenses</i>	17
D <i>Tax expense</i>	17
E <i>Interested person transactions</i>	18
NOTES TO THE STATEMENT OF FINANCIAL POSITION	19
1 <i>Property, plant and equipment</i>	19
2 <i>Inventories</i>	19
3 <i>Excess of progress billings over construction work-in-progress</i>	19
4 <i>Aggregate amount of Group's borrowings and debt securities</i>	20
NOTES TO THE STATEMENT OF CHANGES IN EQUITY.....	21
1 <i>Changes in the Company's Share Capital</i>	21
AUDIT	21
ACCOUNTING POLICIES	21
EARNINGS PER SHARE	22
NET ASSET VALUE	23
VARIANCE FROM PROSPECT STATEMENT	23
DIVIDEND	23
CONFIRMATION	23

Review of the Performance of the Group

CONSOLIDATED INCOME STATEMENT

1Q14 – for the 3 months ended 30 June 2013
 4Q13 – for the 3 months ended 31 March 2013
 1Q13 – for the 3 months ended 30 June 2012

Review of Results for the First Quarter Ended 30 June 2013

	1Q14 \$'000	4Q13 \$'000	Change %	1Q14 \$'000	1Q13 \$'000	Change %
Revenue	130,308	127,547	2.2	130,308	129,022	1.0
Gross Profit	7,313	9,989	(26.8)	7,313	9,618	(24.0)
Other Income	2,934	1,510	94.3	2,934	1,184	147.8
Operating Expenses	(7,977)	(7,856)	1.5	(7,977)	(7,135)	11.8
Profit from Operating Activities	2,270	3,643	(37.7)	2,270	3,667	(38.1)
Provision for Doubtful Debts on:						
- H2O Residence project	-	(3,566)	(100.0)	-	-	N.A.
- King Albert Park, Sixth Avenue and Tan Kah Kee MRT projects	-	(5,009)	(100.0)	-	-	N.A.
Profit/(Loss) from Operating Activities after the Provision for Doubtful Debts	2,270	(4,932)	N.M.	2,270	3,667	(38.1)
Net Finance Expenses	(882)	(1,440)	(38.8)	(882)	(1,956)	(54.9)
Share of Profit of a Jointly-Controlled Entity	119	90	32.2	119	122	(2.5)
Profit/(Loss) before Tax	1,507	(6,282)	N.M.	1,507	1,833	(17.8)
Tax (Expense)/Credit	(360)	796	N.M.	(360)	(40)	N.M.
Profit/(Loss) for the period	1,147	(5,486)	N.M.	1,147	1,793	(36.0)

Gross Profit Margins 5.6% 7.8% 5.6% 7.5%

Revenue

The Group recorded marginal improvements in 1Q14 Revenue, as compared to 1Q13 and 4Q13 respectively.

Gross Profit and Gross Profit Margins (GPM)

Gross Profit and GPM for 1Q14 were \$7.3 million (1Q13: \$9.6 million) and 5.6% (1Q13: 7.5%) respectively. The lower margins were the result of intense competition for contracts which led to price compression, even as the cost of construction remained high.

Sequentially, Gross Profit and GPM of 4Q13 were higher (4Q13: \$10.0 million and 7.8%) as a result of the reversal of accruals for construction costs made in 4Q13 which were no longer required.

Other Income

The Group recorded higher Other Income amounting to \$2.9 million in 1Q14 as compared to \$1.2 million in 1Q13, as a result of higher rental income received from the leasing of foundation equipment and accessories to third parties. In addition, there was a gain on disposal of a leasehold building amounting to \$0.5 million in 1Q14.

Sequentially, Other Income of 1Q14 was also 94.3% higher mainly due to gain on disposal of a leasehold building mentioned above.

Operating Expenses

	1Q14 \$'000	4Q13 \$'000	Change %	1Q14 \$'000	1Q13 \$'000	Change %
Other Operating Expenses	7,644	7,469	2.3	7,644	7,492	2.0
Exchange Loss/(Gain)	121	387	(68.7)	121	(357)	N.M.
Loss on Liquidation of A subsidiary	1	-	N.A.	1	-	N.A.
Translation Differences relating to Liquidation of Interests in A subsidiary	211	-	N.A.	211	-	N.A.
Provision for Doubtful Debts Made on Receivables:	7,977	7,856	1.5	7,977	7,135	11.8
- H2O Residence project	-	3,566	(100.0)	-	-	N.A.
- King Albert Park, Sixth Avenue and Tan Kah Kee MRT projects	-	5,009	(100.0)	-	-	N.A.
Net Operating Expenses	7,977	16,431	(51.5)	7,977	7,135	11.8
Other Operating Expenses /Revenue	5.9%	5.9%		5.9%	5.8%	

Other Operating Expenses of \$7.6 million incurred in 1Q14 was relatively unchanged, compared to \$7.5 million in 1Q13. Other Operating Expenses to Revenue Ratio for 1Q14 was 5.9%, which was largely similar to the 5.8% achieved in 1Q13.

Sequentially, Other Operating Expenses to Revenue ratio was also stable as compared to that in 4Q13.

Net Finance Expenses

	1Q14 \$'000	4Q13 \$'000	Change %	1Q14 \$'000	1Q13 \$'000	Change %
Interest Income	20	29	(31.0)	20	46	(56.5)
Interest Expenses	(1,041)	(1,232)	(15.5)	(1,041)	(1,558)	(33.2)
Net Interest Expenses	(1,021)	(1,203)	(15.1)	(1,021)	(1,512)	(32.5)
Imputed Interest on Non-Current Assets/Liabilities	139	(237)	N.M.	139	(444)	N.M.
Net Finance Expenses	(882)	(1,440)	(38.8)	(882)	(1,956)	(54.9)

Net Interest Expenses of \$1.0 million incurred in 1Q14 was lower than the \$1.5 million recorded in 1Q13 due to lower interest rates and better working capital management in 1Q14.

Sequentially, net interest expenses were largely in line with that incurred in 4Q13.

Share of Profit of a Jointly-Controlled Entity

Share of profit of a jointly-controlled entity in 1Q14 at \$0.1 million, was comparable to that of 1Q13

Sequentially, there was an increase in the share of profit from the jointly-controlled entity in 1Q14 compared to 4Q13 as a result of the higher level of business activities in 1Q14.

Profit for the period

The Group recorded a net profit and earnings per share of \$1.1 million and 0.05 cents respectively in 1Q14 (1Q13: \$1.8 million and 0.07 cents per share).

STATEMENT OF FINANCIAL POSITION

Property, Plant and Equipment

As at 30 June 2013, the net book value of Property, Plant and Equipment amounted to \$180.9 million (31 March 2013: \$184.6 million). During the period under review, the Group acquired new plant and equipment amounting to \$2.5 million, and disposed of property, plant and equipment amounting to \$0.4 million. Depreciation for the period was \$6.8 million (1Q13: \$7.4 million).

Net Current Assets

Net Current Assets of the Group as at 30 June 2013 stood at \$60.7 million (31 March 2013: \$59.6 million) with a current ratio (current assets / current liabilities) of 1.24 (31 March 2013: 1.24).

The Group's Inventories were comparable, at \$67.2 million, as at 30 June 2013 (31 March 2013: \$64.0 million).

Trade and Other Receivables were \$233.7 million (31 March 2013: \$227.6 million) while Trade and Other Payables were \$140.5 million (31 March 2013: \$125.1 million).

Borrowings

Total Borrowings of the Group as at 30 June 2013 were \$161.1 million (31 March 2013: \$168.1 million). This represents a debt over equity ratio of 0.82 (31 March 2013: 0.86).

In 1Q14, the Group drew down \$15.1 million of bank loans and hire purchase loans, for working capital purposes as well as to finance the acquisition of equipment during the period. Repayment of bank loans and hire purchase obligations in 1Q14 amounted to \$21.4 million.

Equity and Net Asset Value

Total Equity was \$195.6 million as at 30 June 2013 (31 March 2013: \$194.9 million), due to the net accumulation of profit for 1Q14.

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

CASH FLOW

	1Q14 \$'000	4Q13 \$'000	Change %	1Q14 \$'000	1Q13 \$'000	Change %
Cash Flow from Operating Activities	14,923	6,757	N.M.	14,923	6,080	N.M.
Cash Flow from Investing Activities	3,207	(2,116)	N.M.	3,207	(1,535)	N.M.
Cash Flow from Financing Activities	(10,869)	(8,980)	21.0	(10,869)	(10,160)	7.0
Cash and Cash Equivalents	11,140	3,920	N.M.	11,140	9,764	14.1

Cash Flow from Operating Activities

Net Cash Inflow from Operating Activities for 1Q14 was \$14.9 million (1Q13: \$6.1 million and 4Q13: \$6.8 million), a marked improvement over the previous two quarters mainly as a result of better working capital management in 1Q14.

Cash Flow from Investing Activities

Net Cash Inflow from Investing Activities for 1Q14 was \$3.2 million as compared to an outflow of \$1.5 million and \$2.1 million in 1Q13 and 4Q13 respectively.

The increase was mainly due to proceeds arising from the sale of a leasehold building and older equipment in 1Q14. In addition, there was a decrease in investments of fixed assets during the period.

Cash Flow from Financing Activities

The Group's Net Cash Outflow from Financing Activities for 1Q14 was \$10.9 million (1Q13: \$10.2 million and 4Q13: \$9.0 million). The increased outflow in 1Q14 as compared to 1Q13 was mainly due to the redemption of redeemable preference shares amounting to \$1.1 million in 1Q14.

Sequentially, the Group recorded higher cash outflow as a result of higher net repayment of bank loans and hire purchase loans amounting to \$8.3 million in 1Q14 (4Q13: \$7.5 million).

Taking these abovementioned factors into consideration, the Group recorded Cash and Cash Equivalents of \$11.1 million as at 30 June 2013, a net increase of \$7.3 million in 1Q14.

Outlook

Operating conditions for the Singapore construction sector are expected to remain challenging in the ensuing months, with pricing pressure from intense competition, and rising construction costs hampering the Group's effort to improve its operating margins.

As of end of July 2013, the Group's order book stands at approximately \$210 million (21 May 2013: \$220 million), comprising contracts from both the public and private sectors in Singapore, Malaysia and Thailand. The Group expects the bulk of these contracts to be completed within the next few quarters.

The Singapore government's measures to control foreign labour supply have led to a manpower crunch, and led to rising wages. In the face of these challenges, the Group has taken firm steps to review the Group's operations including but not limited to restructuring activities, and will continue to explore new ways of deploying available resources while exercising cost discipline.

The Group has also increased its regionalisation efforts. It has secured a steady pipeline of projects in Malaysia and Thailand. These are expected to contribute to the Group's performance in financial year ending 31 March 2014. Going forward, the Group is looking to tap new opportunities in these countries, and growing its presence in new markets in the region.

Consolidated Income Statement for the 3 months ended 30 June 2013

	Note	Group		
		3 months ended		Change
		30-Jun-13	30-Jun-12	
		\$'000	\$'000	%
Revenue		130,308	129,022	1.0
Cost of sales	A	(122,995)	(119,404)	3.0
Gross profit		7,313	9,618	(24.0)
Other income	B	2,934	1,184	N.M.
Distribution expenses		(129)	(138)	(6.5)
Administrative and other operating expenses	C	(7,848)	(6,997)	12.2
Results from operating activities		2,270	3,667	(38.1)
Finance income		159	46	N.M.
Finance expenses		(1,041)	(2,002)	(48.0)
Net finance expenses		(882)	(1,956)	(54.9)
Share of profit of a jointly-controlled entity		119	122	(2.5)
Profit before tax		1,507	1,833	(17.8)
Tax expense	D	(360)	(40)	N.M.
Profit for the period		1,147	1,793	(36.0)
Attributable to:				
Owners of the Company		607	861	(29.5)
Non-controlling interests		540	932	(42.1)
Profit for the period		1,147	1,793	

Gross profit margin

5.6%

7.5%

Net profit margin

0.9%

1.4%

Consolidated Statement of Comprehensive Income for the 3 months ended 30 June 2013

	Group		
	3 months ended		Change
	30-Jun-13	30-Jun-12	
	\$'000	\$'000	%
Profit for the period	1,147	1,793	(36.0)
Other comprehensive income/(expense)			
Items that may be reclassified subsequently to profit or loss:			
Translation differences relating to financial statements of foreign subsidiaries, an associate and a jointly-controlled entity	217	(574)	N.M.
Translation differences relating to liquidation of interests in a subsidiary	(211)	-	N.A.
Other comprehensive income/(expense) for the period, net of tax	6	(574)	N.M.
Total comprehensive income for the period	1,153	1,219	(5.4)
Attributable to:			
Owners of the Company	621	316	96.5
Non-controlling interests	532	903	(41.1)
Total comprehensive income for the period	1,153	1,219	

Statement of Financial Position as at 30 June 2013

DESCRIPTION	Note	Group		Company	
		30-Jun-13	31-Mar-13	30-Jun-13	31-Mar-13
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment	1	180,921	184,567	-	-
Intangible assets		1,452	1,452	-	-
Investments in:					
- subsidiaries		-	-	84,914	79,918
- a jointly-controlled entity		1,243	1,124	-	-
Trade and other receivables		13,254	14,014	-	-
Deferred tax asset		-	-	27	27
		196,870	201,157	84,941	79,945
Current assets					
Inventories	2	67,230	64,014	-	-
Assets classified as held for sale		335	3,051	-	-
Trade and other receivables		233,748	227,559	29,975	37,719
Cash and cash equivalents		17,118	9,485	128	219
		318,431	304,109	30,103	37,938
Total assets		515,301	505,266	115,044	117,883

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

DESCRIPTION	Note	Group		Company	
		30-Jun-13	31-Mar-13	30-Jun-13	31-Mar-13
		\$'000	\$'000	\$'000	\$'000
Equity attributable to owners of the Company					
Share capital		64,953	64,953	64,953	64,953
Reserves		109,053	108,834	44,490	45,204
		174,006	173,787	109,443	110,157
Non-controlling interests		21,614	21,082	-	-
Total equity		195,620	194,869	109,443	110,157
Non-current liabilities					
Loans and borrowings		55,989	59,732	-	-
Deferred tax liabilities		5,963	6,115	-	-
		61,952	65,847	-	-
Current liabilities					
Loans and borrowings		105,103	108,401	19	-
Derivatives		-	18	-	-
Trade and other payables		140,502	125,136	5,487	7,612
Excess of progress billings over construction work-in-progress	3	10,820	9,797	-	-
Current tax payable		1,304	1,198	95	114
		257,729	244,550	5,601	7,726
Total liabilities		319,681	310,397	5,601	7,726
Total equity and liabilities		515,301	505,266	115,044	117,883

Consolidated Statement of Cash Flows for the 3 months ended 30 June 2013

	6 months ended	
	<u>30-Jun-13</u>	<u>30-Jun-12</u>
	\$'000	\$'000
Cash flows from operating activities		
Profit for the period	1,147	1,793
Adjustments for:		
Amortisation of intangible assets	-	10
Depreciation of property, plant and equipment	6,750	7,360
Gain on disposal of property, plant and equipment	(918)	(594)
Impairment losses made/(reversed) on:		
- property, plant and equipment	-	300
- trade, progress billing and other receivables	(93)	(297)
Inventories written down	130	-
Inventories written off	-	293
Net finance expenses	882	1,956
Loss on liquidation of a subsidiary	1	-
Translation differences relating to liquidation of interests in a subsidiary	211	-
Share of profit of a jointly-controlled entity	(119)	(122)
Tax expense	360	40
Operating activities before working capital changes	8,351	10,739
Changes in working capital:		
Inventories	(4,375)	(1,796)
Trade, progress billing and other receivables	(4,160)	1,309
Trade and other payables	15,485	(3,571)
Cash generated from operations	15,301	6,681
Taxes paid	(398)	(647)
Interest received	20	46
Net cash generated from operating activities	14,923	6,080

**Consolidated Statement of Cash Flows for the 3 months ended 30 June 2013
(cont'd)**

	6 months ended	
	30-Jun-13	30-Jun-12
	\$'000	\$'000
		0
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,078)	(2,132)
Proceeds from disposal of property, plant and equipment	4,285	787
Acquisition of non-controlling interests	-	(190)
Net cash generated from/(used in) investing activities	3,207	(1,535)
Cash flows from financing activities		
Interest paid	(1,048)	(1,435)
Dividend paid to non-controlling interests of subsidiaries	-	(45)
Proceeds from:		
- bank loans and hire purchase loans	13,121	7,300
- capital contribution from non-controlling interests of a subsidiary	-	213
Purchase of treasury shares	(402)	(48)
Redemption of redeemable preference shares	(1,100)	-
Repayment of:		
- bank loans	(13,202)	(5,946)
- finance lease liabilities	(8,238)	(11,099)
Decrease in fixed deposits pledged	-	900
Net cash used in financing activities	(10,869)	(10,160)
Net increase/(decrease) in cash and cash equivalents	7,261	(5,615)
Cash and cash equivalents at 1 April	3,920	15,667
Effect of exchange rate changes on balances held in foreign currencies	(41)	(288)
Cash and cash equivalents at 30 June	11,140	9,764
Comprising:		
Cash and cash equivalents	17,118	15,388
Bank overdrafts	(5,978)	(5,624)
Cash and cash equivalents in the consolidated cash flow statement	11,140	9,764

Statements of Changes in Equity for the 3 months ended 30 June 2013

<u>Group</u>	Share capital	Capital reserve	Reserve for own shares	Reserve on consolidation	Share option reserve	Currency translation reserve	Other reserve	Accumulated profits	Total attributable to owners of the Company	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 April 2012	64,953	17,798	(1,050)	116	2,983	(728)	-	94,934	179,006	20,795	199,801
Total comprehensive income for the period											
Profit or loss	-	-	-	-	-	-	-	861	861	932	1,793
Other comprehensive expense											
Translation differences relating to financial statements of foreign subsidiaries, an associate and a jointly-controlled entity	-	-	-	-	-	(545)	-	-	(545)	(29)	(574)
Total other comprehensive expense	-	-	-	-	-	(545)	-	-	(545)	(29)	(574)
Total comprehensive income for the period	-	-	-	-	-	(545)	-	861	316	903	1,219
Transactions with owners, recorded directly in equity											
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	173	-	173	(363)	(190)
Dilution of interests in a subsidiary	-	-	-	-	-	-	20	-	20	193	213
Purchase of treasury shares	-	-	(48)	-	-	-	-	-	(48)	-	(48)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(45)	(45)
Total transactions with owners	-	-	(48)	-	-	-	193	-	145	(215)	(70)
At 30 June 2012	64,953	17,798	(1,098)	116	2,983	(1,273)	193	95,795	179,467	21,483	200,950
At 1 April 2013	64,953	17,798	(1,424)	116	732	(1,122)	137	92,597	173,787	21,082	194,869
Total comprehensive income for the period											
Profit or loss	-	-	-	-	-	-	-	607	607	540	1,147
Other comprehensive income/(expense)											
Translation differences relating to financial statements of foreign subsidiaries, an associate and a jointly-controlled entity	-	-	-	-	-	225	-	-	225	(8)	217
Translation differences reclassified to profit or loss upon liquidation of interests in a subsidiary	-	-	-	-	-	(211)	-	-	(211)	-	(211)
Total other comprehensive income/(expense)	-	-	-	-	-	14	-	-	14	(8)	6
Total comprehensive income for the period	-	-	-	-	-	14	-	607	621	532	1,153
Transactions with owners, recorded directly in equity											
Effect of share options forfeited during the period	-	-	-	-	(3)	-	-	3	-	-	-
Purchase of treasury shares	-	-	(402)	-	-	-	-	-	(402)	-	(402)
Total transactions with owners	-	-	(402)	-	(3)	-	-	3	(402)	-	(402)
At 30 June 2013	64,953	17,798	(1,826)	116	729	(1,108)	137	93,207	174,006	21,614	195,620

Statements of Changes in Equity for the 3 months ended 30 June 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 April 2012	64,953	17,798	(1,050)	2,983	25,972	110,656
Total comprehensive income for the period	-	-	-	-	912	912
Transactions with owners, recorded directly in equity						
Purchase of treasury shares	-	-	(48)	-	-	(48)
Total transactions with owners	-	-	(48)	-	-	(48)
At 30 June 2012	64,953	17,798	(1,098)	2,983	26,884	111,520
At 1 April 2013	64,953	17,798	(1,424)	732	28,098	110,157
Total comprehensive expense for the period	-	-	-	-	(309)	(309)
Transactions with owners, recorded directly in equity						
Effect of share options forfeited during the period	-	-	-	(3)	-	(3)
Purchase of treasury shares	-	-	(402)	-	-	(402)
Total transactions with owners	-	-	(402)	(3)	-	(405)
At 30 June 2013	64,953	17,798	(1,826)	729	27,789	109,443

Note:

Capital reserve

Capital Reduction Reserve

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

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

Notes to the Financial Statements

Notes to the Consolidated Income Statement

The Group is reporting its first quarter results for the period from 1 April 2013 to 30 June 2013 ("1Q14") with comparative figures for the 3 months period from 1 April 2012 to 30 June 2012 ("1Q13").

A Cost of sales

	Group 3 months ended	
	30/06/2013	30/06/2012
	\$'000	\$'000
Cost of sales includes the following items:		
Depreciation of property, plant and equipment	6,492	7,096
Impairment losses on property, plant and equipment	-	300
Inventories written down	130	-
Inventories written off	-	293

B Other income

	Group 3 months ended	
	30/06/2013	30/06/2012
	\$'000	\$'000
Other income includes the following item:		
Gain on disposal of property, plant and equipment	918	594

Notes to the Consolidated Income Statement (cont'd)

C Administrative and other operating expenses

	Group 3 months ended	
	30/06/2013	30/06/2012
	\$'000	\$'000
Administrative and other operating expenses includes the following items:		
Amortisation of intangible assets	-	10
Bad debts written off	9	132
Depreciation of property, plant and equipment	258	264
Exchange loss/(gain)	121	(357)
Impairment losses reversed on trade, progress billing and other receivables ⁽¹⁾	(93)	(297)
Loss on liquidation of a subsidiary	1	-
Translation differences relating to liquidation of interests in a subsidiary	211	-

⁽¹⁾ 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.

D Tax expense

	Group 3 months ended	
	30/06/2013	30/06/2012
	\$'000	\$'000
Current tax expense		
- current period	349	1,106
- under/(over) provided in prior years	156	(347)
	<u>505</u>	<u>759</u>
Deferred tax credit		
- current period	(145)	(192)
- over provided in prior years	-	(527)
	<u>(145)</u>	<u>(719)</u>
	<u>360</u>	<u>40</u>

Notes to the Consolidated Income Statement (cont'd)

E Interested person transactions

Interested person transactions carried out during the 3 months ended 30 June 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)
	3 months ended 30/06/2013	3 months ended 30/06/2013
	\$'000	\$'000
	Nil	Nil

Notes to the Statement of Financial Position

1 Property, plant and equipment

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

	Group	
	As at 30/06/2013 \$'000	As at 31/03/2013 \$'000
Cost		
Opening balance	323,886	299,779
Additions	2,542	36,132
Reclassification from inventories	1,347	385
Transfer to assets held for sale	(282)	(3,273)
Disposals/Write-offs	(767)	(6,297)
Disposal of subsidiaries	-	(2,111)
Translation differences on consolidation	(222)	(729)
Closing balance	<u>326,504</u>	<u>323,886</u>
Accumulated depreciation and impairment losses		
Opening balance	139,319	111,415
Depreciation charge	6,750	31,264
Transfer to assets held for sale	-	(222)
Disposals/Write-offs	(392)	(2,154)
Disposal of subsidiaries	-	(742)
Translation differences on consolidation	(94)	(242)
Closing balance	<u>145,583</u>	<u>139,319</u>
Carrying amount	<u>180,921</u>	<u>184,567</u>

2 Inventories

	Group	
	As at 30/06/2013 \$'000	As at 31/03/2013 \$'000
Equipment and machinery held for sale	52,576	49,897
Spare parts	8,249	8,160
Construction materials on sites	6,405	5,957
	<u>67,230</u>	<u>64,014</u>

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

	Group	
	As at 30/06/2013 \$'000	As at 31/03/2013 \$'000
Cost incurred and attributable profit	807,287	716,096
Progress billings	(818,107)	(725,893)
	<u>(10,820)</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 30/06/2013	
Secured	Unsecured
\$'000	\$'000
36,609	68,494

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

Amount repayable after one year

As at 30/06/2013	
Secured	Unsecured
\$'000	\$'000
48,691	7,298

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

Details of any collateral

The Group's total borrowings were \$161.1 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 \$26.5 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) \$70,769,000 (31 March 2013: \$71,886,000) in respect of plant and machinery acquired under finance leases;
- b) \$9,917,000 (31 March 2013: \$11,602,000) which are secured by a charge over the leasehold land and properties; and
- c) \$4,614,000 (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 June 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 June 2013, the Company completed the buy-back of 3,565,000 ordinary shares. There were 15,180,000 shares held as treasury shares as at 30 June 2013 (30 June 2012: 8,460,000 shares). There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the 3 months ended 30 June 2013.

The total number of ordinary shares issued (excluding treasury shares) as at 30 June 2013 was 1,215,063,725 (31 March 2013: 1,218,628,725) ordinary shares.

As at 30 June 2013, there were outstanding share options for conversion into 29,580,000 (30 June 2012: 54,260,000) ordinary shares under the CSC Executive Share Option Scheme 2004.

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 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>
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 32	<i>Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities</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.

Earnings Per Share

(a) Basic earnings per ordinary share

	3 months ended	
	30/06/2013	30/06/2012
Based on the weighted average number of ordinary shares on issue	0.05 cents	0.07 cents
	3 months ended	
	30/06/2013	30/06/2012
	\$'000	\$'000
Basic earnings per ordinary share is based on: Net profit attributable to ordinary shareholders	607	861

	3 months ended	
	30/06/2013	30/06/2012
	Number of shares	
Weighted average number of: Issued ordinary shares at beginning of the period	1,230,243,725	1,230,243,725
Ordinary shares held as treasury shares	(12,872,967)	(8,081,319)
Weighted average number of ordinary shares used to compute earnings per ordinary share	1,217,370,758	1,222,162,406

(b) Diluted earnings per ordinary share

	3 months ended	
	30/06/2013	30/06/2012
On a fully diluted basis	0.05 cents	0.07 cents
	3 months ended	
	30/06/2013	30/06/2012
	\$'000	\$'000
Diluted earnings per ordinary share is based on: Net profit attributable to ordinary shareholders	607	861

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:-

	3 months ended	
	30/06/2013	30/06/2012
	Number of shares	
Weighted average number of: Ordinary shares used in the calculation of basic earnings per ordinary share	1,217,370,758	1,222,162,406
Potential ordinary shares issuable under exercise of share options	-	-
Weighted average number of ordinary issued and potential shares assuming full conversion	1,217,370,758	1,222,162,406

Net Asset Value

	<u>As at 30/06/2013</u>	<u>As at 31/03/2013</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	16.1 cents	16.0 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	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 June 2013 of 1,215,063,725 (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 full year 2013 financial results were announced.

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 August 2013