

## ANALYSING THE NEWS

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### **CSC Holdings: Bags contracts worth more than S\$70m (SGXNET)**

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**The news:** In the past three months, CSC secured foundation and geotechnical contracts in excess of S\$70m. These include some S\$40m worth of infrastructure projects (such as the Marina Coastal Expressway and Stevens Road MRT station), S\$20m worth of residential and other public sector projects, as well as S\$9m worth of industrial projects.

**Our thoughts:** This is positive news for CSC, indicating that the pipeline of construction projects previously deferred have returned. In addition, this slew of contract wins appear to validate our view that infrastructural and residential projects (arising from massive enbloc sales in 2007) would provide the pick-up in business activity for CSC in 2010. We continue to like CSC (BUY, TP S\$0.29), as we believe that the company will continue to capture more of the deferred projects as they are rolled out, with its technical capability and large equipment fleet to handle large projects.

### **Hyflux Awarded S\$43.8m EPC Contract for Stage One of the Tembusu Seawater Desalination Plant (SGXNET)**

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**The news:** Hyflux's wholly owned subsidiary, Hydrochem (S) Pte Ltd has been awarded a contract by TP Utilities Pte Ltd, a wholly owned unit of Tuas Power Ltd to undertake the engineering, procurement and construction (EPC) works for stage one of the Tembusu Seawater Desalination Plant. The contract is worth S\$43.8m and work is scheduled to start immediately and expected to be completed in approximately 20 months. The Desalination Plant is part of Tuas Power's Tembusu Multi-Utilities Complex on Jurong Island.

**Our thoughts:** At S\$3.53, Hyflux is trading at 22.9x prospective P/E, which is below the 3-year historical average. We do not have a rating on the counter.

### **Swing Media wins contract to install solar powered energy systems (SGXNET)**

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**The news:** Swing Media announced that Shanghai Hui Yang New Energy Technology (SHY) has been awarded a contract to install solar powered energy systems in 20 petrol stations for China's biggest oil producer, PetroChina. SHY is to be 80%-owned by Swing Media through a sale and purchase agreement that was previously announced during Oct 09. Under the terms of the agreement, Swing will make the acquisition for RMB6m – RMB4m in cash and RMB2m in Swing shares - when SHY secures aggregate contractual value of more than RMB12.5m (50 petrol stations).

**Our thoughts:** With a net profit of RMB50k projected by SHY for the installation of a solar system in a single petrol station, we believe that this project is expected to be earnings accretive for Swing Media. More importantly, with SHY having signed an MOU with PetroChina to install solar powered energy systems in 216 petrol stations, we opine that Swing Media's strategy of branching out of its core optical media manufacturing business and into clean technology is looking promising. Maintain BUY with target price of S\$0.105.