

SECOND QUARTER RESULTS * FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT



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* Asterisks denote mandatory information

Name of Announcer *	CSC HOLDINGS LTD
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Announcement is submitted with respect to *	CSC HOLDINGS LTD
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>> ANNOUNCEMENT DETAILS

The details of the announcement start here ...

For the Financial Period Ended *	30-09-2012
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CSC HOLDINGS LIMITED

(Company Registration Number: 199707845E)

**Financial Statements &
Dividend Announcement
for the Second Quarter Ended
30 September 2012**

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Review of the Performance of the Group

CONSOLIDATED INCOME STATEMENT

1Q13 – for the 3 months ended 30 June 2012

2Q13 – for the 3 months ended 30 September 2012

2Q12 – for the 3 months ended 30 September 2011

1H13 – for the 6 months ended 30 September 2012

1H12 – for the 6 months ended 30 September 2011

Review of Results for the Second Quarter Ended 30 September 2012

	2Q13 \$'000	1Q13 \$'000	Change %	2Q12 \$'000	Change %	1H13 \$'000	1H12 \$'000	Change %
Revenue	144,217	129,022	11.8	110,707	30.3	273,239	191,709	42.5
Gross Profit	10,055	9,618	4.5	12,144	(17.2)	19,673	16,913	16.3
Other Income	1,497	1,184	26.4	66	N.M.	2,681	2,344	14.4
Operating Expenses	(7,957)	(7,135)	11.5	(6,254)	27.2	(15,092)	(12,522)	20.5
Net Finance Expenses	(1,261)	(1,956)	(35.5)	(462)	N.M.	(3,217)	(1,306)	N.M.
Share of (Loss)/Profit of Associates	-	-	N.A.	(194)	(100.0)	-	340	(100.0)
Share of Profit of a Jointly-Controlled Entity	35	122	(71.3)	82	(57.3)	157	69	N.M.
Profit before Tax	2,369	1,833	29.2	5,382	(56.0)	4,202	5,838	(28.0)
Profit for the period	2,264	1,793	26.3	4,910	(53.9)	4,057	5,455	(25.6)

Revenue

Revenue for 2Q13 grew 30.3% to \$144.2 million, from \$110.7 million in the previous corresponding period ("2Q12"). Revenue for 1H13 rose 42.5% to \$273.2 million, compared to \$191.7 million reported in 1H12. The increase was mainly due to contribution from the Group's recent acquisitions, and the higher level of business activities in the current reporting period.

Sequentially, the Group also recorded an 11.8% improvement in Revenue over 1Q13.

Gross Profit and Gross Profit Margins (GPM)

In 2Q13, the Group recorded a Gross Profit and GPM of \$10.1 million (2Q12: \$12.1 million) and 7.0% (2Q12: 11.0%) respectively. Gross Profit and GPM for 1H13 were \$19.7 million (1H12: \$16.9 million) and 7.2% (1H12: 8.8%) respectively.

While the year-on-year increase in Gross Profit for 1H13 was in line with the Group's higher turnover, the decline in Gross Profit in 2Q13 versus 2Q12 was mainly due to the competitive operating environment whereby jobs were secured at very competitive prices, while operating cost remained high. In the period under review, there was a sudden industry wide increase in soil disposal costs. As a result, the Group incurred additional costs of \$1.6 million in 1H13. Labour costs were approximately \$0.5 million higher in 1H13 due to increase in foreign workers levy. Consequently, GPM for 1H13 recorded a year-on-year decline from 8.8% to 7.2%, while GPM for 2Q13 was 7.0% as compared to 11.0% in 2Q12.

Sequentially, Gross Profit remained relatively flat over 1Q13, while GPM was broadly similar to 1Q13's GPM of 7.5%.

Other Income

The Group recorded Other Income of \$1.5 million in 2Q13 (2Q12: \$0.1 million). Other Income for 1H13 was \$2.7 million, higher than the \$2.3 million recorded in 1H12.

The increase in Other Income for 2Q13 and 1H13 was mainly due to the disposal of old equipment as well as rental income received from the leasing of foundation equipments to third parties.

Sequentially, Other Income was higher as compared to 1Q13 in line with higher business activities in 2Q13.

Operating Expenses

	2Q13 \$'000	1Q13 \$'000	Change %	2Q12 \$'000	Change %	1H13 \$'000	1H12 \$'000	Change %
Other Operating Expenses	8,384	7,492	11.9	6,671	25.7	15,876	12,803	24.0
Impairment Losses Made on:								
- Associates	-	-	N.A.	5	(100.0)	-	10	(100.0)
- Goodwill on Consolidation	-	-	N.A.	74	(100.0)	-	74	(100.0)
Exchange (Gain)/Loss	(427)	(357)	19.6	504	N.M.	(784)	635	N.M.
	7,957	7,135	11.5	7,254	9.7	15,092	13,522	11.6
Impairment Losses Reversed on Receivables (Changi MotorSports Hub project)	-	-	N.A.	(1,000)	(100.0)	-	(1,000)	(100.0)
Net Operating Expenses	7,957	7,135	11.5	6,254	27.2	15,092	12,522	20.5
Other Operating Expenses /Revenue	5.8%	5.8%		6.0%		5.8%	6.7%	

Other Operating Expenses for 2Q13 and 1H13 were higher than their respective corresponding periods despite the consolidation of the Group's newly acquired subsidiaries. The Group's lower net operating expenses in the previous year were helped by the recovery of a \$1.0 million debt arising from the Changi MotorSports Hub project in August 2011.

Other Operating Expenses to Revenue ratio for 2Q13 improved to 5.8% as compared to 6.0% in 2Q12. In 1H13, Other Operating Expenses to Revenue Ratio was 5.8% (1H12: 6.7%). The improvement in Other Operating Expenses to Revenue ratio reflects higher productivity achieved by the Group.

Sequentially, Other Operating Expenses to Revenue ratio for 2Q13 was unchanged, compared to the 5.8% recorded in 1Q13.

Net Finance Expenses

	2Q13 \$'000	1Q13 \$'000	Change %	2Q12 \$'000	Change %	1H13 \$'000	1H12 \$'000	Change %
Interest Income	49	46	6.5	59	(16.9)	95	98	(3.1)
Interest Expenses	(1,125)	(1,558)	(27.8)	(973)	15.6	(2,683)	(1,832)	46.5
Net Interest Expenses	(1,076)	(1,512)	(28.8)	(914)	17.7	(2,588)	(1,734)	49.3
Imputed Interest on Non- Current Assets/Liabilities	(185)	(444)	(58.3)	452	N.M.	(629)	428	(58.9)
Net Finance Expenses	(1,261)	(1,956)	(35.5)	(462)	N.M.	(3,217)	(1,306)	N.M.

Net Interest Expenses for 2Q13 was \$1.1 million (2Q12: \$0.9 million). Net Interest Expenses for 1H13 was \$2.6 million compared to \$1.7 million for 1H12.

The increase was due to the consolidation of interest expenses from newly acquired subsidiaries and loans drawn down to finance the higher level of business activities.

Net Interest Expenses incurred in 2Q13 amounted to \$1.1 million (1Q13: \$1.5 million).

Profit for the period

The Group recorded a net profit of \$2.3 million in 2Q13 (2Q12: \$4.9 million) and \$4.1 million in 1H13 (1H12: \$5.5 million) respectively. Earnings per share were 0.10 cents in 2Q13 (2Q12: 0.34 cents) and 0.17 cents in 1H13 (1H12: 0.35 cents) respectively.

Sequentially, 2Q13 net profit and earnings per share had improved slightly over 1Q13.

STATEMENT OF FINANCIAL POSITION

Property, Plant and Equipment

As at 30 September 2012, the net book value of Property, Plant and Equipment amounted to \$191.2 million (31 March 2012: \$188.4 million). During the period under review, the Group acquired new plant and equipment amounting to \$18.5 million, and disposed of old plant and equipment with carrying values amounting to \$0.7 million. Depreciation for 1H13 was \$14.5 million (1H12: \$11.6 million).

Net Current Assets

Net Current Assets of the Group as at 30 September 2012 stood at \$60.1 million (31 March 2012: \$65.7 million) with a current ratio (current assets / current liabilities) of 1.24 (31 March 2012: 1.29).

The Group's Inventories were higher, at \$68.4 million, as at 30 September 2012 (31 March 2012: \$61.8 million) in line with the higher level of business activities recorded during 1H13.

As at 30 September 2012, Trade and Other Receivables were \$232.2 million (31 March 2012: \$211.9 million) while Trade and Other Payables were \$133.5 million (31 March 2012: \$129.4 million).

Borrowings

Total Borrowings of the Group as at 30 September 2012 were \$169.3 million (31 March 2012: \$149.3 million). This represents a debt over equity ratio of 0.84 (31 March 2012: 0.75).

During 1H13, the Group drew down \$24.9 million and \$20.0 million of bank loans and hire purchase loans respectively, for working capital purposes and to finance the acquisition of equipment and inventories during the period. Repayment of bank loans and hire purchase obligations in 1H13 amounted to \$8.0 million and \$20.0 million respectively.

Equity and Net Asset Value

Total Equity was \$202.7 million as at 30 September 2012 (31 March 2012: \$200.3 million), due to the net accumulation of profit for 1H13.

As at 30 September 2012, Net Asset Value per ordinary share was 16.6 cents (31 March 2012: 16.4 cents).

CASH FLOW

	2Q13 \$'000	1Q13 \$'000	Change %	2Q12 \$'000	Change %	1H13 \$'000	1H12 \$'000	Change %
				(Restated)			(Restated)	
Cash Flow from Operating Activities	(1,139)	6,080	N.M.	14,973	N.M.	4,941	13,539	(63.5)
Cash Flow from Investing Activities	(5,266)	(1,535)	N.M.	(4,476)	17.6	(6,801)	(9,758)	(30.3)
Cash Flow from Financing Activities	4,351	(10,160)	N.M.	(920)	N.M.	(5,809)	(8,455)	(31.3)
Cash and Cash Equivalents	7,692	9,764	(21.2)	19,737	(61.0)	7,692	19,737	(61.0)

Cash Flow from Operating Activities

The Group recorded a Net Cash Inflow from Operating Activities before Working Capital Changes of \$10.9 million in 2Q13 (2Q12: \$11.4 million). However, as a result of an increase in net working capital required to support the 30.3% growth in Revenue in 2Q13, the Group recorded a Net Cash Outflow from Operating Activities of \$1.1 million in 2Q13 as compared to a Net Cash Inflow of \$15.0 million in the previous corresponding period.

Accordingly, the increased net working capital required to support the growth in Revenue of 42.5% in 1H13 had led to a lower Net Operating Cash Inflow of \$4.9 million (1H12: \$13.5 million). Such increases in net working capital are temporary in nature as there is usually a time lag between works performed and collections from the Group's customers. These net working capital increases would be converted into cash over the coming quarters.

Sequentially, the Group recorded a Net Cash Outflow of \$1.1 million as compared to a Net Cash Inflow of \$6.1 million as a result of a net increase in working capital arising from an 11.8% increase in Revenue for 2Q13.

Cash Flow from Investing Activities

Net Cash Outflow from Investing Activities for 2Q13 was \$5.3 million (2Q12: \$4.5 million and 1Q13: \$1.5 million). For 1H13, the Group recorded a Net Cash Outflow of \$6.8 million as compared to \$9.8 million in 1H12. These increases were mainly due to payments made for the acquisition of new equipment during the respective periods.

In 1H12, the Group paid net cash of \$5.9 million for the acquisition of 70% of ICE Group and \$0.6 million for the setting up of Siam CSC Engineering Co., Ltd.

Cash Flow from Financing Activities

The Group's Net Cash Inflow from Financing Activities was \$4.4 million in 2Q13. The Group raised net funds of \$6.6 million from bank borrowings to fund its increased business activities while paying an annual dividend of \$1.1 million in 2Q13. The funds were raised from the drawn down of the Group's existing working capital facilities with various financial institutions after a large net repayment was recorded in 1Q13 of \$9.7 million.

Accordingly, in 1H13 the Group recorded a Net Cash Outflow from financing activities of \$5.8 million (1H12: \$8.5 million) as the Group continues to pay down its bank loans and hire purchase loans during this period.

Taking all the above into consideration, the Group recorded a net decrease in Cash and Cash Equivalents of \$2.1 million and \$7.7 million in 2Q13 and 1H13 respectively.

Outlook

Based on advance estimates, the Singapore economy grew by 1.3% in the third quarter of 2012. The Singapore economy remains on track to grow by 1.5 to 2.5% in 2012. For the rest of 2012, the Ministry of Trade and Industry Singapore has projected that growth for Singapore could be weighed down by the subdued global economic conditions. Nevertheless, business sectors that support Singapore's domestic infrastructure, such as the transport engineering cluster and construction sector, should enjoy modest expansion year-on-year.

The construction sector in Singapore was estimated to have grown by 8.6% on a year-on-year basis in the third quarter of 2012. However, on a sequential basis, the sector experienced a contraction of 7.5%, following a 14.3% expansion in the second quarter of 2012.

For the six months ended 30 September 2012, the Group has secured approximately \$250 million worth of contracts with around \$50 million coming from the Group's regional endeavours. As at 6 November 2012, the Group's order book stands at approximately \$260 million (8 August 2012: \$310 million) with the bulk of the order book to be completed within the current financial year.

Mindful of the challenges ahead, the Group will maintain its prudent approach while keeping a tight rein on costs and to maximise the use of its existing resources in the most efficient way possible. To maintain its competitiveness and supplement its income from the Singapore market, the Group will also continue to leverage its existing presence in Malaysia and Thailand to actively seek out opportunities in the region.

The Board of Directors expects the Group to continue to be profitable for the financial year ending 31 March 2013.

Consolidated Income Statement for the 2nd Quarter ended 30 September 2012

	Note	Group			Group		
		2nd Quarter ended		Change	6 months ended		Change
		30-Sep-12	30-Sep-11		30-Sep-12	30-Sep-11	
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue		144,217	110,707	30.3	273,239	191,709	42.5
Cost of sales	A	(134,162)	(98,563)	36.1	(253,566)	(174,796)	45.1
Gross profit		10,055	12,144	(17.2)	19,673	16,913	16.3
Other income	B	1,497	66	N.M.	2,681	2,344	14.4
Distribution expenses		(145)	(372)	(61.0)	(283)	(537)	(47.3)
Administrative and other operating expenses	C	(7,812)	(5,882)	32.8	(14,809)	(11,985)	23.6
Results from operating activities		3,595	5,956	(39.6)	7,262	6,735	7.8
Finance income		49	511	(90.4)	95	526	(81.9)
Finance expenses		(1,310)	(973)	34.6	(3,312)	(1,832)	80.8
Net finance expenses		(1,261)	(462)	N.M.	(3,217)	(1,306)	N.M.
Share of (loss)/profit of associates		-	(194)	(100.0)	-	340	(100.0)
Share of profit of a jointly-controlled entity		35	82	(57.3)	157	69	N.M.
Profit before tax		2,369	5,382	(56.0)	4,202	5,838	(28.0)
Tax expense	D	(105)	(472)	(77.8)	(145)	(383)	(62.1)
Profit for the period		2,264	4,910	(53.9)	4,057	5,455	(25.6)
Attributable to:							
Owners of the Company		1,182	4,107	(71.2)	2,043	4,296	(52.4)
Non-controlling interests		1,082	803	34.7	2,014	1,159	73.8
Profit for the period		2,264	4,910		4,057	5,455	

Gross profit margin	7.0%	11.0%	7.2%	8.8%
Net profit margin	1.6%	4.4%	1.5%	2.8%

Consolidated Statement of Comprehensive Income for the 2nd Quarter ended 30 September 2012

	Group			Group		
	2nd Quarter ended		Change	6 months ended		Change
	30-Sep-12	30-Sep-11		30-Sep-12	30-Sep-11	
	\$'000	\$'000	%	\$'000	\$'000	%
Profit for the period	2,264	4,910	(53.9)	4,057	5,455	(25.6)
Other comprehensive income/(expense)						
Translation differences relating to financial statements of foreign subsidiaries, associates and a jointly-controlled entity	95	43	N.M.	(479)	(564)	(15.1)
Translation differences relating to liquidation of interests in a subsidiary	-	-	N.A.	-	141	(100.0)
Other comprehensive income/(expense) for the period, net of tax	95	43	N.M.	(479)	(423)	13.2
Total comprehensive income for the period	2,359	4,953	(52.4)	3,578	5,032	(28.9)
Attributable to:						
Owners of the Company	1,282	4,147	(69.1)	1,598	3,873	(58.7)
Non-controlling interests	1,077	806	33.6	1,980	1,159	70.8
Total comprehensive income for the period	2,359	4,953		3,578	5,032	

Statement of Financial Position as at 30 September 2012

DESCRIPTION	Note	Group		Company	
		30-Sep-12	31-Mar-12 (Restated)	30-Sep-12	31-Mar-12
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment	1	191,177	188,364	-	-
Intangible assets		2,371	2,417	-	-
Investments in:					
- subsidiaries		-	-	74,432	74,788
- an associate		-	-	-	-
- a jointly-controlled entity		1,019	861	-	-
Trade and other receivables		12,801	9,132	-	-
Deferred tax asset		-	-	27	27
		207,368	200,774	74,459	74,815
Current assets					
Inventories	2	68,410	61,760	-	-
Derivatives		5	80	-	-
Trade and other receivables		232,214	211,907	43,397	40,006
Cash and cash equivalents		13,934	19,921	256	622
		314,563	293,668	43,653	40,628
Total assets		521,931	494,442	118,112	115,443

Statement of Financial Position as at 30 September 2012 (cont'd)

DESCRIPTION	Note	Group		Company	
		30-Sep-12	31-Mar-12 (Restated)	30-Sep-12	31-Mar-12
		\$'000	\$'000	\$'000	\$'000
Equity attributable to owners of the Company					
Share capital		64,953	64,953	64,953	64,953
Reserves		114,997	114,433	44,982	45,703
		179,950	179,386	109,935	110,656
Non-controlling interests		22,723	20,958	-	-
Total equity		202,673	200,344	109,935	110,656
Non-current liabilities					
Loans and borrowings		58,017	58,373	-	-
Deferred tax liabilities		6,750	7,765	-	-
		64,767	66,138	-	-
Current liabilities					
Loans and borrowings		111,301	90,893	234	-
Derivatives		18	34	-	-
Trade and other payables		133,537	129,385	7,740	4,697
Excess of progress billings over construction work-in-progress	3	7,523	5,413	-	-
Current tax payable		2,112	2,235	203	90
		254,491	227,960	8,177	4,787
Total liabilities		319,258	294,098	8,177	4,787
Total equity and liabilities		521,931	494,442	118,112	115,443

Consolidated Statement of Cash Flows for the 2nd Quarter ended 30 September 2012

	2nd Quarter ended		6 months ended	
	<u>30-Sep-12</u>	<u>30-Sep-11</u>	<u>30-Sep-12</u>	<u>30-Sep-11</u>
	\$'000	\$'000	\$'000	\$'000
		(Restated)		(Restated)
Cash flows from operating activities				
Profit for the period	2,264	4,910	4,057	5,455
Adjustments for:				
Amortisation of intangible assets	13	211	23	211
Depreciation of property, plant and equipment	7,187	5,878	14,547	11,649
(Gain)/loss on disposal of:				
- property, plant and equipment	(514)	(60)	(1,108)	(808)
- other non-current asset	-	8	-	(5)
Gain on liquidation of a subsidiary	-	-	-	(112)
Impairment losses made/(reversed) on:				
- property, plant and equipment	-	-	300	-
- goodwill on consolidation	-	74	-	74
- balance with an associate	-	5	-	10
- trade, progress billing and other receivables	500	(991)	203	(510)
Inventories written down	-	-	-	116
Inventories written off	110	-	403	-
Negative goodwill arising from acquisition of subsidiaries	-	260	-	(714)
Net finance expenses	1,261	462	3,217	1,306
Property, plant and equipment written off	2	28	2	28
Share of loss/(profit) of associates	-	194	-	(340)
Share of profit of a jointly-controlled entity	(35)	(82)	(157)	(69)
Tax expense	105	472	145	383
Operating activities before working capital changes	10,893	11,369	21,632	16,674
Changes in working capital:				
Inventories	394	(4,495)	(1,402)	(1,540)
Development properties	-	12,431	-	12,431
Trade, progress billing and other receivables	(23,908)	(6,096)	(22,599)	(15,461)
Trade and other payables	12,052	2,176	8,481	2,275
Cash (used in)/generated from operations	(569)	15,385	6,112	14,379
Taxes paid	(619)	(470)	(1,266)	(937)
Interest received	49	58	95	97
Net cash (used in)/generated from operating activities	(1,139)	14,973	4,941	13,539

Consolidated Statement of Cash Flows for the 2nd Quarter ended 30 September 2012 (cont'd)

	2nd Quarter ended		6 months ended	
	30-Sep-12	30-Sep-11	30-Sep-12	30-Sep-11
	\$'000	\$'000	\$'000	\$'000
		(Restated)		(Restated)
Cash flows from investing activities				
Dividend received from an associate	-	-	-	200
Purchase of property, plant and equipment	(6,259)	(5,058)	(8,391)	(5,474)
Proceeds from disposal of:				
- property, plant and equipment	993	581	1,780	2,019
- other non-current asset	-	1	-	53
Acquisition of:				
- subsidiaries, net of cash acquired	-	-	-	(5,938)
- non-controlling interests	-	-	(190)	-
Formation of a jointly-controlled entity	-	-	-	(618)
Net cash used in investing activities	(5,266)	(4,476)	(6,801)	(9,758)
Cash flows from financing activities				
Interest paid	(1,100)	(979)	(2,535)	(1,780)
Dividend paid:				
- owners of the Company	(1,099)	(1,223)	(1,099)	(1,223)
- non-controlling interests of a subsidiary	-	-	(45)	(45)
Proceeds from:				
- bank loans	17,567	3,719	24,867	22,098
- capital contribution from non-controlling interests of a subsidiary	-	-	213	-
- issue of redeemable preference shares	-	1,100	-	1,100
Purchase of treasury shares	(80)	(51)	(128)	(51)
Repayment of:				
- bank loans	(2,012)	2,053	(7,958)	(16,163)
- finance lease liabilities	(8,925)	(5,539)	(20,024)	(12,284)
Decrease/(Increase) in fixed deposits pledged	-	-	900	(107)
Net cash generated from/(used in) financing activities	4,351	(920)	(5,809)	(8,455)
Net (decrease)/increase in cash and cash equivalents	(2,054)	9,577	(7,669)	(4,674)
Cash and cash equivalents at 1 July/1 April	9,764	10,178	15,667	24,481
Effect of exchange rate changes on balances held in foreign currencies	(18)	(18)	(306)	(70)
Cash and cash equivalents at 30 September	7,692	19,737	7,692	19,737
Comprising:				
Cash and cash equivalents	13,934	21,873	13,934	21,873
Bank overdrafts	(6,242)	(2,029)	(6,242)	(2,029)
	7,692	19,844	7,692	19,844
Less:				
Fixed deposits pledged as security for bank facilities	-	(107)	-	(107)
Cash and cash equivalents in the consolidated cash flow statement	7,692	19,737	7,692	19,737

Statements of Changes in Equity for the 2nd Quarter ended 30 September 2012

Group	Share capital \$'000	Capital reserve \$'000	Reserve for own shares \$'000	Reserve on consolidation \$'000	Share option reserve \$'000	Currency translation reserve \$'000	Other reserve \$'000	Accumulated profits \$'000	Total attributable to owners of the Company	Non-controlling interests \$'000	Total equity \$'000
									\$'000		
At 1 July 2011	64,953	17,798	(935)	116	3,396	(1,056)	-	89,462	173,734	16,106	189,840
Total comprehensive income for the period											
Profit or loss	-	-	-	-	-	-	-	4,107	4,107	803	4,910
Other comprehensive income											
Translation differences relating to financial statements of foreign subsidiaries, associates and a jointly-controlled entity	-	-	-	-	-	40	-	-	40	3	43
Total other comprehensive income	-	-	-	-	-	40	-	-	40	3	43
Total comprehensive income for the period	-	-	-	-	-	40	-	4,107	4,147	806	4,953
Transactions with owners, recorded directly in equity											
Effect of share options forfeited/expired during the period	-	-	-	-	(341)	-	-	341	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	(112)	(112)
Purchase of treasury shares	-	-	(51)	-	-	-	-	-	(51)	-	(51)
Dividend paid in respect of financial year 2011 - Final dividend of 0.10 cents per share (tax-exempt one-tier)	-	-	-	-	-	-	-	(1,223)	(1,223)	-	(1,223)
Total transactions with owners	-	-	(51)	-	(341)	-	-	(882)	(1,274)	(112)	(1,386)
At 30 September 2011	64,953	17,798	(986)	116	3,055	(1,016)	-	92,687	176,607	16,800	193,407
At 1 July 2012	64,953	17,798	(1,098)	116	2,983	(1,273)	193	95,795	179,467	21,483	200,950
Effect of fair value adjustments of business combination	-	-	-	-	-	-	-	380	380	163	543
At 1 July 2012, as restated	64,953	17,798	(1,098)	116	2,983	(1,273)	193	96,175	179,847	21,646	201,493
Total comprehensive income for the period											
Profit or loss	-	-	-	-	-	-	-	1,182	1,182	1,082	2,264
Other comprehensive income/(expense)											
Translation differences relating to financial statements of foreign subsidiaries, an associate and a jointly-controlled entity	-	-	-	-	-	100	-	-	100	(5)	95
Total other comprehensive income/(expense)	-	-	-	-	-	100	-	-	100	(5)	95
Total comprehensive income for the period	-	-	-	-	-	100	-	1,182	1,282	1,077	2,359
Transactions with owners, recorded directly in equity											
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)
At 30 September 2012	64,953	17,798	(1,178)	116	747	(1,173)	193	98,494	179,950	22,723	202,673

Statements of Changes in Equity for the 2nd Quarter ended 30 September 2012 (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 2011	64,953	17,798	(935)	3,396	21,042	106,254
Total comprehensive expense for the period	-	-	-	-	(320)	(320)
Transactions with owners, recorded directly in equity						
Effect of share options forfeited/expired during the period	-	-	-	(341)	92	(249)
Purchase of treasury shares	-	-	(51)	-	-	(51)
Dividend paid in respect of financial year 2011						
- Final dividend of 0.10 cents per share (tax-exempt one-tier)	-	-	-	-	(1,223)	(1,223)
Total transactions with owners	-	-	(51)	(341)	(1,131)	(1,523)
At 30 September 2011	64,953	17,798	(986)	3,055	19,591	104,411
At 1 July 2012	64,953	17,798	(1,098)	2,983	26,884	111,520
Total comprehensive income for the period	-	-	-	-	139	139
Transactions with owners, recorded directly in equity						
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)
At 30 September 2012	64,953	17,798	(1,178)	747	27,615	109,935

Note:

Capital reserve

Capital Reduction 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 2012 to 30 September 2012 ("2Q13") with comparative figures for the 3 months period from 1 July 2011 to 30 September 2011 ("2Q12").

A Cost of sales

	Group			
	2nd Quarter ended		6 months ended	
	30/09/2012	30/09/2011	30/09/2012	30/09/2011
	\$'000	\$'000	\$'000	\$'000
Cost of sales includes the following items:				
Depreciation of property, plant and equipment	6,925	5,646	14,021	11,170
Impairment losses on property, plant and equipment	-	-	300	-
Inventories written down	-	-	-	116
Inventories written off	110	-	403	-
Property, plant and equipment written off	-	28	-	28

B Other income

	Group			
	2nd Quarter ended		6 months ended	
	30/09/2012	30/09/2011	30/09/2012	30/09/2011
	\$'000	\$'000	\$'000	\$'000
Other income includes the following items:				
Gain/(loss) on disposal of:				
- property, plant and equipment	514	60	1,108	808
- other non-current asset	-	(8)	-	5
Gain on liquidation of a subsidiary	-	-	-	112
Negative goodwill arising from acquisition of subsidiaries	-	(260)	-	714

Notes to the Consolidated Income Statement (cont'd)

C Administrative and other operating expenses

	Group			
	2nd Quarter ended		6 months ended	
	30/09/2012	30/09/2011	30/09/2012	30/09/2011
	\$'000	\$'000	\$'000	\$'000
Administrative and other operating expenses includes the following items:				
Amortisation of intangible assets	13	211	23	211
Bad debts written off	1	-	133	-
Depreciation of property, plant and equipment	262	232	526	479
Exchange (gain)/loss	(427)	504	(784)	635
Impairment losses made/(reversed) on:				
- goodwill on consolidation	-	74	-	74
- balance with an associate	-	5	-	10
- trade, progress billing & other receivables ⁽¹⁾	500	(991)	203	(510)
Property, plant and equipment written off	2	-	2	-

⁽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			
	2nd Quarter ended		6 months ended	
	30/09/2012	30/09/2011	30/09/2012	30/09/2011
	\$'000	\$'000	\$'000	\$'000
Current tax expense/(credit)				
- current period	441	706	1,547	1,001
- (over)/under provided in prior years	(55)	34	(402)	(233)
	386	740	1,145	768
Deferred tax credit				
- current period	(153)	(39)	(345)	(156)
- over provided in prior years	(128)	(229)	(655)	(229)
	(281)	(268)	(1,000)	(385)
	105	472	145	383

Notes to the Consolidated Income Statement (cont'd)

E Interested person transactions

Interested person transactions carried out during the 2nd quarter ended 30 September 2012 under Chapter 9 of the Listing Manual are as follows:-

Name of Interested person	Aggregate value of all interested person transactions during the period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	
	2nd Quarter ended 30/09/2012	6 months ended 30/09/2012	2nd Quarter ended 30/09/2012	6 months ended 30/09/2012
	\$'000	\$'000	\$'000	\$'000
CMC Construction Pte Ltd ⁽¹⁾	Nil	Nil	Nil	377
Tat Hong Heavyequipment (Pte.) Ltd. ⁽¹⁾	Nil	Nil	2,846	3,917
Tat Hong Thailand Co. Ltd ⁽¹⁾	Nil	Nil	157	442

Note:

⁽¹⁾ CMC Construction Pte Ltd, Tat Hong Heavyequipment (Pte.) Ltd. and Tat Hong Thailand Co., 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 30/09/2012 \$'000	As at 31/03/2012 \$'000 (Restated)
<u>Cost</u>		
Opening balance	299,779	233,785
Additions	18,487	39,969
Assets acquired through business combinations	-	41,041
Disposals/Write-offs	(1,938)	(14,540)
Reclassification from inventories	385	-
Transfer to assets held for sale	-	(88)
Translation differences on consolidation	(749)	(388)
Closing balance	<u>315,964</u>	<u>299,779</u>
<u>Accumulated depreciation and impairment losses</u>		
Opening balance	111,415	95,440
Depreciation charge	14,547	24,878
Impairment losses	300	389
Disposals/Write-offs	(1,264)	(9,166)
Translation differences on consolidation	(211)	(126)
Closing balance	<u>124,787</u>	<u>111,415</u>
Carrying amount	<u>191,177</u>	<u>188,364</u>

2 Inventories

	Group	
	As at 30/09/2012 \$'000	As at 31/03/2012 \$'000
Equipment and machinery held for sale	54,803	48,883
Spare parts	8,257	8,257
Construction materials on sites	5,350	4,620
	<u>68,410</u>	<u>61,760</u>

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

	Group	
	As at 30/09/2012 \$'000	As at 31/03/2012 \$'000
Cost incurred and attributable profit	782,550	613,399
Progress billings	(790,073)	(618,812)
	<u>(7,523)</u>	<u>(5,413)</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 30/09/2012	
Secured	Unsecured
\$'000	\$'000
35,421	75,880

As at 31/03/2012	
Secured	Unsecured
\$'000	\$'000
35,372	55,521

Amount repayable after one year

As at 30/09/2012	
Secured	Unsecured
\$'000	\$'000
51,905	6,112

As at 31/03/2012	
Secured	Unsecured
\$'000	\$'000
50,068	8,305

Details of any collateral

The Group's total borrowings were \$169.3 million (31 March 2012: \$149.3 million) and consist of finance leases and bank loans. Included in the borrowings repayable within one year were bills payable amounting to \$39.0 million (31 March 2012: \$30.7 million).

The overdrafts, bills payable, finance lease liabilities and bank loan facilities are secured by legal mortgages over the Group's assets listed below and corporate guarantees by the Company and related corporations:

- a) \$73,900,000 (31 March 2012: \$73,671,000) in respect of plant and machinery acquired under finance leases;
- b) \$7,566,000 (31 March 2012: \$8,892,000) which are secured by a charge over the leasehold land and properties; and
- c) \$5,860,000 (31 March 2012: \$2,877,000) 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 2012, the issued and fully paid-up share capital of the Company was 1,230,243,725 (31 March 2012: 1,230,243,725) ordinary shares.

During the 3 months ended 30 September 2012, the Company completed the buy-back of 800,000 ordinary shares. As at 30 September 2012, the Company held 9,260,000 (30 September 2011: 7,340,000) of its own uncancelled shares. There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the 3 months ended 30 September 2012.

The total number of ordinary shares issued (excluding treasury shares) as at 30 September 2012 was 1,220,983,725 (31 March 2012: 1,222,243,725) ordinary shares.

As at 30 September 2012, there were outstanding share options for conversion into 30,310,000 (30 September 2011: 55,910,000) ordinary shares under the CSC Executive Share Option Scheme 2004.

Audit

The Group's figures have been reviewed by the Company's auditors in accordance with Singapore Standard on Review Engagements 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*".

Accounting Policies

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 March 2012, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning on or after 1 April 2012.

The following revised Financial Reporting Standards (FRS) are relevant to the Group:

Amendments to FRS 12	<i>Income Taxes: Deferred Tax Recovery of Underlying Assets</i>
Amendments to FRS 107	<i>Disclosures – Transfer of Financial Assets</i>

The adoption of the amendments to 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 2013:

Amendments to FRS 1	<i>Presentation of Items of Other Comprehensive Income</i>
FRS 19	<i>Employee Benefits</i>
FRS 27	<i>Separate Financial Statements</i>
FRS 28	<i>Investments in Associates and Joint Ventures</i>
FRS 110	<i>Consolidated Financial Statements</i>
FRS 112	<i>Disclosure of Interests in Other Entities</i>
FRS 113	<i>Fair Value Measurement</i>

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

Accounting Policies (cont'd)

Finalisation of fair value adjustments arising from the acquisition of a subsidiary

On 28 October 2011, the Group obtained control of a subsidiary and made provisional assessment of the recognised amounts of assets acquired and liabilities assumed at the acquisition date. The Group has completed the purchase price allocation during the second quarter ended 30 September 2012. The adjustments were made retrospectively to the value of assets and liabilities at 31 March 2012. The effect of the finalisation of fair value adjustments resulted in a fair value increase in recognised amount of certain leasehold properties held by the subsidiary and reversals of deferred tax liabilities amounting to \$654,000 and \$111,000 respectively. The accumulated profits and non-controlling interests as at 1 April 2012 were accordingly restated to reflect these adjustments. Except for these restatements, other finalised fair value adjustments do not have an impact on the comparatives of the Group's financial statements for the second quarter ended 30 September 2012 and hence have not been disclosed.

Earnings Per Share

(a) Basic earnings per ordinary share

	2nd Quarter ended		6 months ended	
	30/09/2012	30/09/2011	30/09/2012	30/09/2011
Based on the weighted average number of ordinary shares on issue	0.10 cents	0.34 cents	0.17 cents	0.35 cents

	2nd Quarter ended		6 months ended	
	30/09/2012	30/09/2011	30/09/2012	30/09/2011
	\$'000	\$'000	\$'000	\$'000
Basic earnings per ordinary share is based on:				
Net profit attributable to ordinary shareholders	1,182	4,107	2,043	4,296

Basic earnings per ordinary share is based on:

Net profit attributable to ordinary shareholders	1,182	4,107	2,043	4,296
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	2nd Quarter ended		6 months ended	
	30/09/2012	30/09/2011	30/09/2012	30/09/2011
	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	(8,751,304)	(7,073,587)	(8,418,142)	(6,972,350)
Weighted average number of ordinary shares used to compute earnings per ordinary share	1,221,492,421	1,223,170,138	1,221,825,583	1,223,271,375

(b) Diluted earnings per ordinary share

	2nd Quarter ended		6 months ended	
	30/09/2012	30/09/2011	30/09/2012	30/09/2011
On a fully diluted basis	0.10 cents	0.33 cents	0.17 cents	0.35 cents

	2nd Quarter ended		6 months ended	
	30/09/2012	30/09/2011	30/09/2012	30/09/2011
	\$'000	\$'000	\$'000	\$'000
Diluted earnings per ordinary share is based on:				
Net profit attributable to ordinary shareholders	1,182	4,107	2,043	4,296

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

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.

Earnings Per Share (cont'd)

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	
	30/09/2012	30/09/2011	30/09/2012	30/09/2011
	Number of shares			
Weighted average number of: Ordinary shares used in the calculation of basic earnings per ordinary share	1,221,492,421	1,223,170,138	1,221,825,583	1,223,271,375
Potential ordinary shares issuable under exercise of share options	-	4,332,609	-	5,511,694
Weighted average number of ordinary issued and potential shares assuming full conversion	<u>1,221,492,421</u>	<u>1,227,502,747</u>	<u>1,221,825,583</u>	<u>1,228,783,069</u>

Net Asset Value

	<u>As at 30/09/2012</u>	<u>As at 31/03/2012 (Restated)</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	16.6 cents	16.4 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	9.1 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 2012 of 1,220,983,725 (31 March 2012: 1,222,243,725) ordinary shares.

Dividend

The Board of Directors is pleased to recommend an interim ordinary dividend of 0.04 cents per share.

	1H13	1H12
Name of dividend	Interim ordinary	Interim ordinary
Dividend type	Cash	Cash
Dividend rate per ordinary share	0.04 cents	0.08 cents
Tax rate	Tax exempt (one-tier)	Tax exempt (one-tier)

Total interim ordinary dividend payable will be \$488,000 (1H12: \$978,000), which is based on share capital of 1,220,983,725 ordinary shares as at 30 September 2012 (30 September 2011: 1,222,903,725 ordinary shares). The interim ordinary dividend payable represents a payout ratio of 23.9% (1H12: 22.8%)

NOTICE IS HEREBY GIVEN that the Transfer Books and the Register of Members of the Company will be closed on 5 December 2012 for the preparation of the dividend warrants. Duly completed transfers received by the Share Registrars, M&C Services Private Limited, 138 Robinson Road, #17-00 The Corporate Office, Singapore 068906 up to 5.00 p.m. on 4 December 2012 (the "Books Closure Date") will be registered to determine shareholders' entitlements to the interim ordinary dividend. Subject as aforesaid, shareholders whose Securities Accounts with The Central Depository (Pte) Limited ("CDP") are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on the Books Closure Date will be entitled to the interim ordinary dividend.

The said interim ordinary dividend will be paid by the Company to CDP which will in turn distribute the dividend entitlements to such shareholders in accordance with its practice.

The interim ordinary dividend will be paid on 14 December 2012 to members on the Register as at 4 December 2012.

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
7 November 2012



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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 2012

Introduction

We have reviewed the accompanying condensed consolidated financial position of CSC Holdings Limited and its subsidiaries (the Group) as at 30 September 2012, 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 LP

KPMG LLP
Public Accountants and
Certified Public Accountants

Singapore
7 November 2012