



CSC HOLDINGS LIMITED

(Company Registration Number: 199707845E)

Financial Statements Announcement
for the Third Quarter Ended 31 December 2013
(For the Financial Year Ending 31 March 2014)

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Review of the Performance of the Group

CONSOLIDATED INCOME STATEMENT

3Q14 – for the 3 months ended 31 December 2013

2Q14 – for the 3 months ended 30 September 2013

3Q13 – for the 3 months ended 31 December 2012

9M14 – for the 6 months ended 31 December 2013

9M13 – for the 6 months ended 31 December 2012

Review of Results for the Third Quarter Ended 31 December 2013

	3Q14 \$'000	2Q14 \$'000	Change %	3Q13 \$'000	Change %	9M14 \$'000	9M13 \$'000	Change %
Revenue	118,288	125,765	(5.9)	130,867	(9.6)	375,916	404,617	(7.1)
Gross Profit	6,134	9,890	(38.0)	9,513	(35.5)	24,892	29,697	(16.2)
Other Income	4,437	866	N.M.	840	N.M.	6,682	3,010	N.M.
Operating Expenses	(8,169)	(7,562)	8.0	(7,914)	3.2	(23,708)	(23,006)	3.1
Profit from Operating Activities	2,402	3,194	(24.8)	2,439	(1.5)	7,866	9,701	(18.9)
Net Finance Expenses	(859)	(1,231)	(30.2)	(1,201)	(28.5)	(2,972)	(4,418)	(32.7)
Share of Profit of a Jointly-Controlled Entity	91	65	40.0	16	N.M.	275	173	59.0
Profit before Tax	1,634	2,028	(19.4)	1,254	30.3	5,169	5,456	(5.3)
Tax Expense	(108)	(353)	(69.4)	(573)	(81.2)	(821)	(718)	14.3
Profit for the period	1,526	1,675	(8.9)	681	124.1	4,348	4,738	(8.2)

Gross Profit Margins	5.2%	7.9%	7.3%	6.6%	7.3%
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Revenue

The Group recorded revenue of \$118.3 million for 3Q14, reflecting a 9.6% decline as compared to \$130.9 million in 3Q13. Revenue for 9M14 was 7.1% lower at \$375.9 million compared to \$404.6 million reported in 9M13.

The decline in revenue was due to the moderation in demand for foundation services in the Singapore construction sector in 3Q14, primarily due to slower private sector construction activities. On a brighter note, sustained domestic demand in Malaysia enabled the Group's Malaysia operations to maintain a healthy level of activity and increase its contribution to the Group to approximately 16% for 9M14 (9M13: 12%).

Revenue for 3Q14 contracted 5.9% compared to 2Q14, reflecting the lower number of residential projects commencing construction in 3Q14.

Gross Profit and Gross Profit Margins (GPM)

Gross profit and GPM for 3Q14 were \$6.1 million and 5.2% respectively (3Q13: \$9.5 million and 7.3%). For 9M14, Gross profit and GPM also registered declines to \$24.9 million and 6.6% from \$29.7 million and 7.3% in 9M13.

These margins reflect the keen competition across the industry, as contracts were secured at competitive prices even while construction costs remained high.

Gross profit and GPM for 3Q14 recorded were lower compared to 2Q14, in line with lower revenue in 3Q14.

Other Income

The Group recorded other income of \$4.4 million for 3Q14 (3Q13: \$0.8 million) and \$6.7 million in 9M14 (9M13: \$3.0 million) respectively. This includes a net gain of \$2.8 million from fees received for the nomination and assignment of the Group's rights, title, interests and benefits of one parcel of freehold vacant industrial land in Iskandar Malaysia in 3Q14.

Other income recorded for 3Q14 was thus substantially higher than that recorded in 2Q14 as a result of the fees received.

Operating Expenses

	3Q14 \$'000	2Q14 \$'000	Change %	3Q13 \$'000	Change %	9M14 \$'000	9M13 \$'000	Change %
Other Operating Expenses	7,739	7,412	4.4	7,650	1.2	22,795	23,526	(3.1)
Exchange Loss/(Gain)	428	150	N.M.	264	62.1	699	(520)	N.M.
Loss on Disposal of A subsidiary	2	-	N.A.	-	N.A.	2	-	N.A.
Loss on Liquidation of A subsidiary	-	-	N.A.	-	N.A.	1	-	N.A.
Translation Differences relating to Liquidation of Interests in A subsidiary	-	-	N.A.	-	N.A.	211	-	N.A.
Net Operating Expenses	8,169	7,562	8.0	7,914	3.2	23,708	23,006	3.1
Other Operating Expenses /Revenue	6.5%	5.9%		5.8%		6.1%	5.8%	

Other operating expenses for 3Q14, which are largely similar to those recorded in 3Q13, amounted to \$7.7 million. For 9M14, other operating expenses decreased 3.1% to \$22.8 million (9M13: \$23.5 million) as a result of sustained efforts to contain and reduce the Group's operating overheads amidst an intensely competitive operating environment.

Other operating expenses to revenue ratio for 3Q14 and 9M14 were 6.5% (3Q13: 5.8%) and 6.1% (9M13: 5.8%) respectively. The marginally higher ratios were due to lower revenue in the current period.

Other operating expenses to revenue ratio for 3Q14 was also higher compared to 5.9% recorded in 2Q14, in line with the lower revenue recorded in the current period.

Net Finance Expenses

	3Q14 \$'000	2Q14 \$'000	Change %	3Q13 \$'000	Change %	9M14 \$'000	9M13 \$'000	Change %
Interest Income	-	1	(100.0)	35	(100.0)	1	130	(99.2)
Interest Expenses	(1,024)	(1,195)	(14.3)	(1,189)	(13.9)	(3,240)	(3,872)	(16.3)
Net Interest Expenses	(1,024)	(1,194)	(14.2)	(1,154)	(11.3)	(3,239)	(3,742)	(13.4)
Imputed Interest on Non-Current Assets/Liabilities	165	(37)	N.M.	(47)	N.M.	267	(676)	N.M.
Net Finance Expenses	(859)	(1,231)	(30.2)	(1,201)	(28.5)	(2,972)	(4,418)	(32.7)

Net interest expenses for 3Q14 and 9M14 decreased to \$1.0 million (3Q13: \$1.2 million) and \$3.2 million (9M13: \$3.7 million) respectively. The lower interest expenses was the result of a reduction in the Group's financing activities due to the lower level of business activity in the current periods.

Compared with 2Q14, net interest expenses were sequentially lower in 3Q14 in view of a reduction in bank borrowings used to finance the Group's operations.

Share of Profit of a Jointly-Controlled Entity

Share of profit of a jointly-controlled entity was \$0.1 million in 3Q14 (3Q13: \$0.02 million) and \$0.3 million in 9M14 (9M13: \$0.2 million) respectively. This positive contribution was the result of positive demand for the Group's jacked-in pile services in Thailand in spite of the uncertain Thai political environment in 3Q14.

The share of profit from the jointly-controlled entity in 3Q14 was comparable to 2Q14.

Profit for the period

The Group's 3Q14 net profit and earnings per share were \$1.5 million (3Q13: \$0.7 million) and 0.07 cents (3Q13: 0.06 cents) respectively.

Net profit and earnings per share decreased to \$4.3 million (9M13: \$4.7 million) and 0.20 cents (9M13: 0.22 cents) for 9M14 as a result of the factors above.

STATEMENT OF FINANCIAL POSITION

Property, Plant and Equipment

As at 31 December 2013, the net book value of property, plant and equipment amounted to \$171.1 million (31 March 2013: \$184.6 million). During the period under review, the Group replaced its older equipment by investing \$9.7 million in new equipment and disposing \$3.0 million of its older equipment. Depreciation for 9M14 was \$20.6 million.

Net Current Assets

Net current assets were \$60.4 million as at 31 December 2013 (31 March 2013: \$59.6 million) with a current ratio (current assets / current liabilities) of 1.23 (31 March 2013: 1.24).

As at 31 December 2013, inventories stood at \$75.0 million (31 March 2013: \$64.0 million) as the Group catered for the increased business activities in the Malaysia market.

Trade and other receivables was \$237.9 million (31 March 2013: \$227.6 million) while Trade and other payables stood at \$145.2 million (31 March 2013: \$125.2 million).

Borrowings

Total borrowings as at 31 December 2013 amounted to \$158.4 million (31 March 2013: \$168.1 million), representing a debt over equity ratio of 0.81 (31 March 2013: 0.86).

The decrease in borrowings was mainly due to net repayment of bank loans and hire purchase loans amounting to \$11.1 million in 9M14.

Equity and Net Asset Value

As at 31 December 2013, the Group's total equity stood at \$196.5 million, due to the net accumulation of profits in 9M14 (31 March 2013: \$194.9 million).

As at 31 December 2013, Net asset value per ordinary share was 16.2 cents (31 March 2013: 16.0 cents).

CASH FLOW

	3Q14 \$'000	2Q14 \$'000	Change %	3Q13 \$'000	Change %	9M14 \$'000	9M13 \$'000	Change %
Cash Flow from Operating Activities	10,869	(1,698)	N.M.	18,908	(42.5)	24,094	23,849	1.0
Cash Flow from Investing Activities	1,183	7	N.M.	(4,617)	N.M.	4,397	(11,418)	N.M.
Cash Flow from Financing Activities	(10,551)	(7,012)	50.5	(13,745)	(23.2)	(28,432)	(19,554)	45.4
Cash and Cash Equivalents	3,854	2,432	58.5	8,332	(53.7)	3,854	8,332	(53.7)

Cash Flow from Operating Activities

Net cash inflow from operating activities was \$10.9 million for 3Q14 (3Q13: \$18.9 million) and \$24.1 million for 9M14 (9M13: \$23.8 million).

The Group recorded a net cash inflow from operating activities of \$10.9 million in 3Q14 compared to a net cash outflow of \$1.7 million in 2Q14 due to improved collections and working capital management of the Group in the quarter under review.

Cash Flow from Investing Activities

Net cash inflow from investing activities for 3Q14 was \$1.2 million, compared to a net cash outflow of \$4.6 million in 3Q13. For 9M14, the Group recorded a net cash inflow from investing activities of \$4.4 million compared to a net cash outflow of \$11.4 million in 9M13 mainly due to proceeds from the sale of a leasehold building and old equipment in 9M14. In addition, there was a decrease in investments in fixed assets, as well as expenditure incurred for replacements of older equipment during the current periods.

Cash Flow from Financing Activities

The Group's net cash outflow from financing activities for 3Q14 and 9M14 were \$10.6 million (3Q13: \$13.7 million) and \$28.4 million (9M13: \$19.6 million) respectively, following net repayments of bank loans of \$9.4 million (3Q13: \$11.9 million) and \$22.6 million (9M13: \$15.0 million) for 3Q14 and 9M14 respectively.

Compared with 2Q14, the Group recorded higher cash outflows as a result of higher net repayment of bank loans and hire purchase loans amounting to \$9.4 million in 3Q14 (2Q14: \$5.0 million).

Taking the abovementioned factors into consideration, the Group ended 31 December 2013 with cash and cash equivalents of \$3.9 million.

Outlook

The Singapore government's push to tighten foreign labour has led to higher labour costs. In addition, recent restrictions in the export of granite from a foreign country have also led to a sharp increase in the costs of ready mixed concrete.

To maintain our competitiveness, the Group will continue to manage its costs while improving productivity and maximising its operational flexibility to stand out from its competitors.

In view of the above factors, the Board of Directors expects the fourth quarter for the financial year ending 31 March 2014 to be challenging.

As at end of January 2014, the Group's order book comprising contracts from both the public and private sectors in Singapore and Malaysia, stood at approximately \$210 million (end October 2013: \$220 million). The bulk of these contracts can be expected to complete within the next six months.

Consolidated Income Statement for the 3rd Quarter ended 31 December 2013

	Note	Group			Group		
		3rd Quarter ended		Change	9 months ended		Change
		31-Dec-13	31-Dec-12		31-Dec-13	31-Dec-12	
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue		118,288	130,867	(9.6)	375,916	404,617	(7.1)
Cost of sales	A	(112,154)	(121,354)	(7.6)	(351,024)	(374,920)	(6.4)
Gross profit		6,134	9,513	(35.5)	24,892	29,697	(16.2)
Other income	B	4,437	840	N.M.	6,682	3,010	N.M.
Distribution expenses		(290)	(255)	13.7	(507)	(538)	(5.8)
Administrative expenses	C	(7,903)	(7,253)	9.0	(22,808)	(21,678)	5.2
Other operating income/(expenses)	D	24	(406)	N.M.	(393)	(790)	(50.3)
Results from operating activities		2,402	2,439	(1.5)	7,866	9,701	(18.9)
Finance income		165	35	N.M.	268	130	N.M.
Finance expenses		(1,024)	(1,236)	(17.2)	(3,240)	(4,548)	(28.8)
Net finance expenses		(859)	(1,201)	(28.5)	(2,972)	(4,418)	(32.7)
Share of profit of a jointly-controlled entity		91	16	N.M.	275	173	59.0
Profit before tax		1,634	1,254	30.3	5,169	5,456	(5.3)
Tax expense	E	(108)	(573)	(81.2)	(821)	(718)	14.3
Profit for the period		1,526	681	N.M.	4,348	4,738	(8.2)
Attributable to:							
Owners of the Company		830	684	21.3	2,447	2,727	(10.3)
Non-controlling interests		696	(3)	N.M.	1,901	2,011	(5.5)
Profit for the period		1,526	681		4,348	4,738	
Gross profit margin		5.2%	7.3%		6.6%	7.3%	
Net profit margin		1.3%	0.5%		1.2%	1.2%	

Consolidated Statement of Comprehensive Income for the 3rd Quarter ended 31 December 2013

	Group			Group		
	3rd Quarter ended		Change	9 months ended		Change
	31-Dec-13	31-Dec-12		31-Dec-13	31-Dec-12	
	\$'000	\$'000	%	\$'000	\$'000	%
Profit for the period	1,526	681	N.M.	4,348	4,738	(8.2)
Other comprehensive income						
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	(588)	(151)	N.M.	(999)	(630)	58.6
Translation differences relating to liquidation of interests in a subsidiary	-	-	N.A.	(211)	-	N.A.
Other comprehensive income for the period, net of tax	(588)	(151)	N.M.	(1,210)	(630)	N.M.
Total comprehensive income for the period	938	530	77.0	3,138	4,108	(23.6)
Attributable to:						
Owners of the Company	261	537	(51.4)	1,296	2,135	(39.3)
Non-controlling interests	677	(7)	N.M.	1,842	1,973	(6.6)
Total comprehensive income for the period	938	530		3,138	4,108	

Statement of Financial Position as at 31 December 2013

DESCRIPTION	Note	Group		Company	
		31-Dec-13	31-Mar-13	31-Dec-13	31-Mar-13
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment	1	171,118	184,567	-	-
Intangible assets		1,452	1,452	-	-
Investments in:					
- subsidiaries		-	-	87,418	84,918
- a jointly-controlled entity		1,295	1,124	-	-
Other investment		1,887	-	-	-
Trade and other receivables		13,795	14,014	-	-
Deferred tax assets		-	-	27	27
		189,547	201,157	87,445	84,945
Current assets					
Inventories	2	75,030	64,014	-	-
Derivatives		30	-	-	-
Assets classified as held for sale	1	-	3,051	-	-
Trade and other receivables		237,876	227,608	29,106	33,223
Cash and cash equivalents		12,273	9,485	2,182	219
		325,209	304,158	31,288	33,442
Total assets		514,756	505,315	118,733	118,387

Statement of Financial Position as at 31 December 2013 (cont'd)

DESCRIPTION	Note	Group		Company	
		31-Dec-13	31-Mar-13	31-Dec-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		108,648	108,834	44,020	45,204
		173,601	173,787	108,973	110,157
Non-controlling interests		22,879	21,082	-	-
Total equity		196,480	194,869	108,973	110,157
Non-current liabilities					
Loans and borrowings		47,842	59,732	-	-
Deferred tax liabilities		5,607	6,115	-	-
		53,449	65,847	-	-
Current liabilities					
Loans and borrowings		110,604	108,401	2	-
Derivatives		-	18	-	-
Trade and other payables		145,211	125,185	9,666	8,116
Excess of progress billings over construction work-in-progress		8,609	9,797	-	-
Current tax payable		403	1,198	92	114
		264,827	244,599	9,760	8,230
Total liabilities		318,276	310,446	9,760	8,230
Total equity and liabilities		514,756	505,315	118,733	118,387

Consolidated Statement of Cash Flows for the 3rd Quarter ended 31 December 2013

	3rd Quarter ended		9 months ended	
	<u>31-Dec-13</u>	<u>31-Dec-12</u>	<u>31-Dec-13</u>	<u>31-Dec-12</u>
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Profit for the period	1,526	681	4,348	4,738
Adjustments for:				
Allowance for inventory obsolescence	50	-	50	-
Amortisation of intangible assets	-	-	-	23
Bad debts written off	-	1	74	134
Depreciation of property, plant and equipment	6,719	7,841	20,631	22,388
Gain on assignment and nomination of purchase rights of an industrial land	(2,797)	-	(2,797)	-
(Gain)/Loss on disposal of:				
- property, plant and equipment	(735)	(474)	(2,025)	(1,582)
- a subsidiary	2	-	2	-
Impairment losses (reversed)/made on:				
- property, plant and equipment	-	(300)	-	-
- trade, progress billing and other receivables	(59)	376	4	579
Inventories written down	90	300	310	300
Inventories written off	-	-	-	403
Loss on liquidation of a subsidiary	-	-	1	-
Net finance expenses	859	1,201	2,972	4,418
Property, plant and equipment written off	-	5	1	7
Translation differences relating to liquidation of interests in a subsidiary	-	-	211	-
Share of profit of a jointly-controlled entity	(91)	(16)	(275)	(173)
Tax expense	108	573	821	718
Operating activities before working capital changes	5,672	10,188	24,328	31,953
Changes in working capital:				
Inventories	(3,720)	3,828	(9,501)	2,426
Trade, progress billing and other receivables	(7,010)	(726)	(10,617)	(23,542)
Trade and other payables	16,779	6,370	21,975	14,935
Cash generated from operations	11,721	19,660	26,185	25,772
Taxes paid	(978)	(787)	(2,092)	(2,053)
Interest received	126	35	1	130
Net cash generated from operating activities	10,869	18,908	24,094	23,849

Consolidated Statement of Cash Flows for the 3rd Quarter ended 31 December 2013 (cont'd)

	3rd Quarter ended		9 months ended	
	31-Dec-13	31-Dec-12	31-Dec-13	31-Dec-12
	\$'000	\$'000	\$'000	\$'000
Cash flows from investing activities				
Purchase of property, plant and equipment	(1,484)	(3,732)	(3,403)	(12,123)
Proceeds from assignment and nomination of purchase rights of an industrial land	2,797	-	2,797	-
Proceeds from disposal of property, plant and equipment	1,798	615	6,931	2,395
Disposal of a subsidiary, net of cash disposed of	(4)	-	(4)	-
Acquisition of non-controlling interests	-	(1,500)	-	(1,690)
Capital injection in other investment	(1,924)	-	(1,924)	-
Net cash generated from/(used in) investing activities	1,183	(4,617)	4,397	(11,418)
Cash flows from financing activities				
Interest paid	(1,119)	(1,192)	(3,158)	(3,727)
Dividend paid:				
- owners of the Company	-	(488)	(728)	(1,587)
- non-controlling interests of a subsidiary	-	-	(45)	(45)
Proceeds from:				
- bank loans and hire purchase loans	12,623	14,058	36,594	30,600
- bills payable	18,262	29,079	63,248	85,799
- capital contribution from non-controlling interests of a subsidiary	-	-	-	213
Purchase of treasury shares	(59)	(163)	(754)	(291)
Redemption of redeemable preference shares	-	-	(1,100)	-
Repayment of:				
- bank loans	(7,116)	(5,412)	(27,044)	(13,370)
- bills payable	(23,891)	(39,708)	(69,230)	(88,103)
- finance lease liabilities	(9,251)	(9,919)	(26,215)	(29,943)
Decrease in fixed deposits pledged	-	-	-	900
Net cash used in financing activities	(10,551)	(13,745)	(28,432)	(19,554)
Net increase/(decrease) in cash and cash equivalents	1,501	546	59	(7,123)
Cash and cash equivalents at 1 October/1 April	2,432	7,692	3,920	15,667
Effect of exchange rate changes on balances held in foreign currencies	(79)	94	(125)	(212)
Cash and cash equivalents at 31 December	3,854	8,332	3,854	8,332
Comprising:				
Cash and cash equivalents	12,273	13,435	12,273	13,435
Bank overdrafts	(8,419)	(5,103)	(8,419)	(5,103)
Cash and cash equivalents in the consolidated cash flow statement	3,854	8,332	3,854	8,332

Statements of Changes in Equity for the 3rd Quarter ended 31 December 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 October 2012	64,953	17,798	(1,178)	116	747	(1,173)	193	98,494	179,950	22,723	202,673
Total comprehensive income for the period											
Profit or loss	-	-	-	-	-	-	-	684	684	(3)	681
Other comprehensive income											
Translation differences relating to financial statements of foreign subsidiaries, an associate and a jointly-controlled entity	-	-	-	-	-	(147)	-	-	(147)	(4)	(151)
Total other comprehensive income	-	-	-	-	-	(147)	-	-	(147)	(4)	(151)
Total comprehensive income for the period	-	-	-	-	-	(147)	-	684	537	(7)	530
Transactions with owners, recorded directly in equity											
Effect of share options forfeited during the period	-	-	-	-	(15)	-	-	15	-	-	-
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	(56)	-	(56)	(1,444)	(1,500)
Purchase of treasury shares	-	-	(163)	-	-	-	-	-	(163)	-	(163)
Dividend paid in respect of financial year 2013 - Interim dividend of 0.04 cents per share (tax-exempt one-tier)	-	-	-	-	-	-	-	(488)	(488)	-	(488)
Total transactions with owners	-	-	(163)	-	(15)	-	(56)	(473)	(707)	(1,444)	(2,151)
At 31 December 2012	64,953	17,798	(1,341)	116	732	(1,320)	137	98,705	179,780	21,272	201,052
At 1 October 2013	64,953	17,798	(2,119)	116	-	(1,704)	137	94,218	173,399	22,202	195,601
Total comprehensive income for the period											
Profit or loss	-	-	-	-	-	-	-	830	830	696	1,526
Other comprehensive income											
Translation differences relating to financial statements of foreign subsidiaries, an associate and a jointly-controlled entity	-	-	-	-	-	(569)	-	-	(569)	(19)	(588)
Total other comprehensive income	-	-	-	-	-	(569)	-	-	(569)	(19)	(588)
Total comprehensive income for the period	-	-	-	-	-	(569)	-	830	261	677	938
Transactions with owners, recorded directly in equity											
Purchase of treasury shares	-	-	(59)	-	-	-	-	-	(59)	-	(59)
Total transactions with owners	-	-	(59)	-	-	-	-	-	(59)	-	(59)
At 31 December 2013	64,953	17,798	(2,178)	116	-	(2,273)	137	95,048	173,601	22,879	196,480

Statements of Changes in Equity for the 3rd Quarter ended 31 December 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 October 2012	64,953	17,798	(1,178)	747	27,615	109,935
Total comprehensive income for the period	-	-	-	-	(279)	(279)
Transactions with owners, recorded directly in equity						
Effect of share options forfeited during the period	-	-	-	(15)	-	(15)
Purchase of treasury shares	-	-	(163)	-	-	(163)
Dividend paid in respect of financial year 2013 - Interim dividend of 0.04 cents per share (tax-exempt one-tier)	-	-	-	-	(488)	(488)
Total transactions with owners	-	-	(163)	(15)	(488)	(666)
At 31 December 2012	64,953	17,798	(1,341)	732	26,848	108,990
At 1 October 2013	64,953	17,798	(2,119)	-	28,553	109,185
Total comprehensive income for the period	-	-	-	-	(153)	(153)
Transactions with owners, recorded directly in equity						
Purchase of treasury shares	-	-	(59)	-	-	(59)
Total transactions with owners	-	-	(59)	-	-	(59)
At 31 December 2013	64,953	17,798	(2,178)	-	28,400	108,973

Note:

Capital reserve

Capital Reduction Reserve

<u>Group</u>	<u>Company</u>
\$'000	\$'000

17,798	17,798
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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 2013 to 31 December 2013 ("3Q14") with comparative figures for the 3 months period from 1 October 2012 to 31 December 2012 ("3Q13").

A Cost of sales

	Group			
	3rd Quarter ended		9 months ended	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
	\$'000	\$'000	\$'000	\$'000
Cost of sales includes the following items:				
Allowance for inventory obsolescence	50	-	50	-
Depreciation of property, plant and equipment	6,501	7,582	19,912	21,603
Impairment losses reversed on property, plant and equipment	-	(300)	-	-
Inventories written down	90	300	310	300
Inventories written off	-	-	-	403
Property, plant and equipment written off	-	2	-	2

B Other income

	Group			
	3rd Quarter ended		9 months ended	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
	\$'000	\$'000	\$'000	\$'000
Other income includes the following item:				
Gain on assignment and nomination of purchase rights of an industrial land	2,797	-	2,797	-
Gain on disposal of property, plant and equipment	735	474	2,025	1,582

C Administrative expenses

	Group			
	3rd Quarter ended		9 months ended	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
	\$'000	\$'000	\$'000	\$'000
Administrative expenses includes the following items:				
Amortisation of intangible assets	-	-	-	23
Depreciation of property, plant and equipment	218	259	719	785
Exchange loss/(gain)	428	264	699	(520)

Notes to the Consolidated Income Statement (cont'd)

D Other operating (income)/expenses

	Group			
	3rd Quarter ended		9 months ended	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
	\$'000	\$'000	\$'000	\$'000
Other operating (income)/expenses includes the following items:				
Bad debts written off	-	1	74	134
Impairment losses (reversed)/made on trade, progress billing and other receivables ⁽¹⁾	(59)	376	4	579
Loss on disposal of a subsidiary	2	-	2	-
Loss on liquidation of a subsidiary	-	-	1	-
Property, plant and equipment written off	-	3	1	5
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.

E Tax expense

	Group			
	3rd Quarter ended		9 months ended	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
	\$'000	\$'000	\$'000	\$'000
Current tax expense				
- current period	542	333	1,150	1,880
- (over)/under provided in prior years	(8)	(10)	152	(412)
	534	323	1,302	1,468
Deferred tax (credit)/expense				
- current period	(257)	(62)	(347)	(407)
- (over)/under provided in prior years	(169)	312	(134)	(343)
	(426)	250	(481)	(750)
	108	573	821	718

Notes to the Consolidated Income Statement (cont'd)

F Interested person transactions

Interested person transactions carried out during the 3rd quarter ended 31 December 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)	
	3rd Quarter ended 31/12/2013	9 months ended 31/12/2013	3rd Quarter ended 31/12/2013	9 months ended 31/12/2013
	\$'000	\$'000	\$'000	\$'000
CMC Construction Pte Ltd ⁽¹⁾	Nil	Nil	6	670
Tat Hong HeavyEquipment (HK) Ltd ⁽¹⁾	Nil	Nil	61	487
Tat Hong HeavyEquipment (Pte.) Ltd. ⁽¹⁾	Nil	Nil	330	825
Tat Hong Industrial Properties Sdn Bhd ⁽¹⁾	Nil	Nil	1,924 ⁽²⁾	1,924 ⁽²⁾
Tat Hong Plant Leasing Pte Ltd ⁽¹⁾	Nil	Nil	418	1,118

Note:

⁽¹⁾ CMC Construction Pte Ltd, Tat Hong HeavyEquipment (HK) Ltd, Tat Hong HeavyEquipment (Pte.) Ltd., Tat Hong Industrial Properties Sdn Bhd and Tat Hong Plant Leasing Pte Ltd are related corporations of TH Investments Pte Ltd, a substantial shareholder of the Company.

⁽²⁾ With reference to the Group's announcement on 25 October 2013, the Group entered into a Shareholders' Agreement ("SHA") with Tat Hong International Pte Ltd, AME Land Sdn Bhd and BP Lands Sdn Bhd in relation to Tat Hong Industrial Properties Sdn Bhd ("THIP"), to jointly undertake mixed property development in Iskandar Malaysia.

Pursuant to the SHA, the Group subscribed for shares equivalent to 5% of the enlarged share capital of THIP for \$0.2 million and granted a shareholder's loan of \$1.7 million to THIP.

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 31/12/2013 \$'000	As at 31/03/2013 \$'000
<u>Cost</u>		
Opening balance	323,886	299,779
Additions	9,696	36,132
Reclassification from inventories	1,901	385
Transfer to assets held for sale	(272)	(3,273)
Disposals/Write-offs	(12,595)	(6,297)
Disposal of subsidiaries	-	(2,111)
Translation differences on consolidation	(1,675)	(729)
Closing balance	320,941	323,886
<u>Accumulated depreciation and impairment losses</u>		
Opening balance	139,319	111,415
Depreciation charge	20,631	31,264
Transfer to assets held for sale	-	(222)
Disposals/Write-offs	(9,566)	(2,154)
Disposal of subsidiaries	-	(742)
Translation differences on consolidation	(561)	(242)
Closing balance	149,823	139,319
Carrying amount	171,118	184,567

2 Inventories

	Group	
	As at 31/12/2013 \$'000	As at 31/03/2013 \$'000
Equipment and machinery held for sale	61,776	49,897
Spare parts	8,371	8,160
Construction materials on sites	4,931	5,957
	75,078	64,014
Allowance for inventory obsolescence	(48)	-
	75,030	64,014

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

	Group	
	As at 31/12/2013 \$'000	As at 31/03/2013 \$'000
Cost incurred and attributable profit	943,040	716,096
Progress billings	(951,649)	(725,893)
	(8,609)	(9,797)

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 31/12/2013	
Secured	Unsecured
\$'000	\$'000
34,469	76,135

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

Amount repayable after one year

As at 31/12/2013	
Secured	Unsecured
\$'000	\$'000
39,834	8,008

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

Details of any collateral

The Group's total borrowings were \$158.4 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 \$23.1 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) \$62,035,000 (31 March 2013: \$71,886,000) in respect of plant and machinery acquired under finance leases;
- b) \$7,500,000 (31 March 2013: \$11,602,000) which are secured by a charge over the leasehold land and properties; and
- c) \$4,768,000 (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 31 December 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 31 December 2013, the Company completed the buy-back of 590,000 ordinary shares. There were 18,615,000 shares held as treasury shares as at 31 December 2013 (31 December 2012: 10,755,000 shares). There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the 3 months ended 31 December 2013.

The total number of ordinary shares issued (excluding treasury shares) as at 31 December 2013 was 1,211,628,725 (31 March 2013: 1,218,628,725) ordinary shares.

As at 31 December 2013, there were no outstanding share options (31 December 2012: 29,710,000) for conversion into 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>
Amendments to FRS 34	<i>Interim Financial Reporting and Segment Information for Total Assets and Liabilities</i>
FRS 113	<i>Fair Value Measurement</i>
Amendments to FRS 107	<i>Offsetting financial assets and financial liabilities</i>

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

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

FRS 27	<i>Separate Financial Statements</i>
FRS 28	<i>Investments in Associates and Joint Ventures</i>
Amendments to FRS 36	<i>Recoverable Amount Disclosures for Non-Financial Assets</i>
FRS 110	<i>Consolidated Financial Statements</i>
FRS 111	<i>Joint Arrangements</i>
FRS 112	<i>Disclosure of Interests in Other Entities</i>

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

Accounting Policies (cont'd)

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

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

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

Earnings Per Share

(a) Basic earnings per ordinary share

	3rd Quarter ended		9 months ended	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Based on the weighted average number of ordinary shares on issue	0.07 cents	0.06 cents	0.20 cents	0.22 cents
	3rd Quarter ended		9 months ended	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
	\$'000	\$'000	\$'000	\$'000
Basic earnings per ordinary share is based on:				
Net profit attributable to ordinary shareholders	830	684	2,447	2,727
	3rd Quarter ended		9 months ended	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
	Number of shares			
Weighted average number of:				
Issued ordinary shares at beginning of the period	1,230,243,725	1,230,243,725	1,230,243,725	1,230,243,725
Ordinary shares held as treasury shares	(18,168,913)	(9,736,467)	(16,055,764)	(8,859,182)
Weighted average number of ordinary shares used to compute earnings per ordinary share	1,212,074,812	1,220,507,258	1,214,187,961	1,221,384,543

(b) Diluted earnings per ordinary share

	3rd Quarter ended		9 months ended	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
On a fully diluted basis	0.07 cents	0.06 cents	0.20 cents	0.22 cents
	3rd Quarter ended		9 months ended	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
	\$'000	\$'000	\$'000	\$'000
Diluted earnings per ordinary share is based on:				
Net profit attributable to ordinary shareholders	830	684	2,447	2,727

Earnings Per Share (cont'd)

For the purpose of calculating the diluted earnings per ordinary share, the weighted average number of ordinary shares in issue is adjusted to take into account the dilutive effect arising from the dilutive share options, with the potential ordinary shares weighted for the period outstanding.

The effect of the exercise of share options on the weighted average number of ordinary shares in issue is as follows:-

	3rd Quarter ended		9 months ended	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
	Number of shares			
Weighted average number of: Ordinary shares used in the calculation of basic earnings per ordinary share	1,212,074,812	1,220,507,258	1,214,187,961	1,221,384,543
Potential ordinary shares issuable under exercise of share options	-	-	-	-
Weighted average number of ordinary issued and potential shares assuming full conversion	1,212,074,812	1,220,507,258	1,214,187,961	1,221,384,543

Net Asset Value

	As at 31/12/2013	As at 31/03/2013
Group		
Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of the period reported on	16.2 cents	16.0 cents
Company		
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 31 December 2013 of 1,211,628,725 (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 second quarter 2014 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
13 February 2014