



CSC HOLDINGS LIMITED

(Company Registration Number: 199707845E)

**Financial Statements
& Dividend Announcement
for the Twelve Months Ended
31 March 2008**

Table of Contents

Page

REVIEW OF THE PERFORMANCE OF THE GROUP	3
COMMENTARY ON CURRENT YEAR PROSPECTS	6
CONSOLIDATED INCOME STATEMENT FOR THE 12 MONTHS ENDED 31 MARCH 2008.....	7
BALANCE SHEETS AS AT 31 MARCH 2008	8
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 12 MONTHS ENDED 31 MARCH 2008	10
STATEMENT OF CHANGES IN EQUITY FOR THE 12 MONTHS ENDED 31 MARCH 2008.....	12
NOTES TO THE FINANCIAL STATEMENTS.....	14
NOTES TO THE CONSOLIDATED INCOME STATEMENT	14
A Cost of sales.....	14
B Other income	14
C Other operating expenses.....	15
D Income tax expense.....	15
E Interested person transactions.....	16
NOTES TO THE BALANCE SHEETS.....	17
1 Property, plant and equipment.....	17
2 Inventories.....	17
3 (Excess of progress billings over construction work-in-progress)/Construction work-in-progress	17
4 Trade and other payables.....	18
5 Aggregate amount of Group's borrowings and debt securities.....	18
NOTES TO THE STATEMENT OF CHANGES IN EQUITY.....	19
1 Changes in the Company's Share Capital.....	19
AUDIT	19
ACCOUNTING POLICIES	19
EARNINGS PER SHARE	20
NET ASSET VALUE.....	21
DIVIDEND.....	22
SEGMENTAL REVENUE AND RESULTS.....	23
BREAKDOWN OF SALES	24

Review of the Performance of the Group

Consolidated Income Statement

FY08 – for the 12 months ended 31 March 2008

FY07 – for the 12 months ended 31 March 2007

The Group's revenue for FY 08 leapt by 281.8% to \$483.7 million (FY07: \$126.7 million). The quantum leap was driven by strong organic growth and contributions from three newly acquired subsidiaries - L&M Foundation Specialists Pte Ltd and Soil Investigation Pte Ltd in Singapore and G-Pile Sistem Sdn Bhd in Malaysia.

Gross profit in FY08 was \$97.8 million compared to \$19.6 million in FY07. This represents an increase of 399.8%. Gross profit margin also improved in FY08 at 20.2% (FY07: 15.4%) as a result of strong demand for specialist foundation work.

Other income comprised mainly from compensation from a customer \$0.6 million (FY07: \$Nil), gain on disposal of fixed assets \$0.4 million (FY07: \$3.7 million) and gain on disposal of quoted securities \$0.4 million (FY07: \$Nil). The quoted securities were as a result of settlements of debts owing from clients in previous years.

Administrative and other operating expenses increased by 163.7% amounted to \$35.8 million compared to \$13.6 million in FY07. The increase expenses were in line with increase in revenue. However, due to better economies of scale from organic growth and acquisitions and more effective cost control measures implemented in FY08, total administrative and other operating expenses decreased from 10.7% on revenue in FY07 to 7.4% on revenue in FY08.

Interest rates have fallen in the year under review. With the Group's stronger balance sheet and enhanced equity base, the Group managed to take advantage of the lower interest rate environment and re-negotiated its banking facilities at a more competitive cost of borrowing compared to FY07. The 114.9% increase in net finance expenses to \$3.8 million (FY07: \$1.8 million) was mainly due to additional financing secured during FY08 relating to \$49.5 million of capital expenditure on plant and equipment and \$7.4 million on premise for workshop and yard.

Share of loss of associates increased to \$1.7 million (FY07: share of profit of 0.2 million) mainly resulted from the under performance of the Group's 40% held associate, Excel Precast Pte Ltd.

Income tax expense to profit before tax was higher at 22.7% (FY07: 16.8%) mainly due to the provision of deferred tax on fixed assets and non-tax deductible items such as share of loss in associates, share options, amortizations and impairments.

Overall, the Group achieved substantially better profit after tax for FY08 amounted to \$45.4 million (FY07: \$9.3 million), an increase of 387.3% while revenue increased by 281.8%. This was the result of increased volume of work completed with improved margins and lower administrative and operating expenses in proportion to increased revenue due to better economies of scale.

Return on equity for FY08 improve significantly to 40.3% (FY07: 12.6%).

Review of the Performance of the Group (cont'd)

Balance Sheets

The Group invested substantially on capital expenditure to further expand its capacity in line with the strong demand for specialist foundation engineering work. Approximately \$49.5 million worth of plant and equipment was added in FY08. In order to better support the Group's expanded operations, another \$7.4 million investment was incurred on workshop and yard. Investment on other fixed assets amounted to \$2.6 million. These additions exclude assets acquired arising from newly acquired subsidiaries. For FY07, total addition on fixed assets was \$14.1 million.

Goodwill on consolidation arose from acquisitions of Soil Investigation Pte Ltd in Singapore and G-Pile Sistem Sdn Bhd in Malaysia, which were completed in the year under review.

Progress billings receivables ("PBR") increased substantially by 339.0% to \$18.5 million (31 March 2007: \$4.2 million). This is due mainly to retention amounts held by clients as part of the industrial practice. The increase was in line with increased revenue and the total amounts are not due within the next 12 months from the balance sheet date.

The Group's working capital decreased marginally to \$56.1 million (31 March 2007: \$59.7 million) due mainly to higher trade and other payables, finance leases and tax liabilities. Please refer to the below table, extracted from the balance sheet.

\$ '000	Group		Change
	31 March 2008	31 March 2007	
Total Current Assets	230,178	134,294	71%
Total Current Liabilities	174,125	74,644	133%
Working Capital	<u>56,053</u>	<u>59,650</u>	-6%

Inventories increased to \$19.6 million (31 March 2007: \$14.6 million) to meet the increase in demand for foundation engineering works. The increases in progress billings receivables and trade and other receivables totalling \$175.1 million (31 March 2007: \$73.3 million) were in line with the increase in revenue.

Land held for development amounted to \$4.6 million as at 31 March 2007 was re-classified from non-current assets to current assets in FY08. In addition, under current assets, part of the Land held for sale as at 31 March 2007 (\$7.7 million) was also reclassified as Land held for development in FY08. As such, Land held for development, under current assets amounted to \$9.4 million as at 31 March 2008. \$1 million impairment was provided (31 March 2007: \$Nil) for Land held for sale to reflect current market price.

The substantial investment on fixed assets was funded by net bank borrowings. In addition, the Group also required more working capital funding to cater for its increased volume of work. Hence, the Group's borrowings as at 31 March 2008 increased to \$85.0 million (please refer to note 5 of the balance sheet in page 18) representing a 48.2% increase (31 March 2007: \$57.4 million). Included in the borrowings were convertible notes of \$1.5 million (31 March 2007: \$2.9 million). Despite the increase in borrowings, Debt Equity ratio actually decreased from 65.7% as at 31 March 2007 to 63.7% as at 31 March 2008.

Deferred tax liabilities increased to \$5.1 million (31 March 2007: \$2.8 million) mainly due to provision for deferred tax on fixed assets. Current tax payable increase substantially to \$11.9 million (31 March 2007: \$2.0 million) in line with the increase in profit before tax.

Group shareholder equity as at 31 March 2008 further strengthened to \$133.5 million (31 March 2007: \$87.3 million). The increase comprised of \$1.7 million in Share capital (from conversion of the convertible notes), \$42.5 million in Reserves (mainly due to increase in retained earnings) and \$2.0 million in minority interest (due to increase in the profit after tax in FY08 of a majority held subsidiary). Net asset value per ordinary share increased to 11.6 cents from 7.9 cents.

Review of the Performance of the Group (cont'd)

Cash Flow

FY08 – for the 12 months ended 31 March 2008

FY07 – for the 12 months ended 31 March 2007

The Group generated \$50.9 million operating cash flows for FY08. This is substantially more than \$4.1 million generated from FY07's operation or 1,138% increase. This was attributable to higher profit made for the year. In addition, the depreciation charges increased to \$16.4 million due to new investment in fixed assets and revision in the estimated useful lives of its assets, e.g. from 15 years to 10 years for plant and equipment.

Net cash out-flows on investing activities was \$34.4 million or 311% increase (FY07: \$8.4 million). These comprised mainly of the following:

- Cash portion in relation to purchases of property, plant and equipment amounted to \$27.2 million (FY07: \$7.6 million);
- Net of cash acquired from the acquisition of subsidiaries amounted to \$11.5 million (FY07: \$14.9 million); and
- Cash proceeds from the disposal of property, plant and equipment amounted to \$2.7 million (FY07: \$23.7 million).

Net cash out-flows on financing activities was \$28.8 million (FY07: net cash in-flows \$34.7 million). These comprised mainly of the following:

- the Group repaid in FY08 bank loans of \$17.7 million (FY07: \$13.4 million) and finance lease obligations of \$11.6 million (FY07: \$4.9 million);
- net cash proceeds from bank loans of \$5.2 million (FY07: \$32.2 million); and
- the Group paid a special dividend of \$2.6 million (FY07: \$Nil).

Commentary on Current Year Prospects

The Singapore economy grew a healthy 7.7% in 2007. The growth was led by the construction sector, which registered 20.3% expansion. The Ministry of Trade and Industry has just released the economic results for the 1st quarter of 2008 showing a 14.7% growth for the construction industry⁽¹⁾.

While the impact of the sub-prime crisis in the United States is uncertain on the Singapore economy in particular the construction industry, rising global crude oil price and steel prices have caused a rise in construction costs. These higher costs and shortages in manpower and equipment resources may affect the construction industry's overall performance.

Singapore Building and Construction Authority ("BCA") has forecasted that the construction demand is projected to reach between S\$23 billion and S\$27 billion in 2008 and to be lead by the private sector construction demand where the main drivers will continue to be the commercial, industrial and private residential developments. Major projects include the integrated resorts at Marina Bay and Sentosa, business financial centre at Marina Bay, MRT downtown line extensions, Jurong Island underground cavern, Sports Hub, en-bloc re-development of various residential sites and the building of solar energy, airplane engines, petrochemical and pharmaceutical plants.

The Group's order book as at 23 May 2008 is approximately \$400 million with most of the projects to be completed within the next 12 months.

The Board of Directors remains optimistic about the Group's performance for the financial year 2009.

Note:

⁽¹⁾ Information contained in this section has been derived from the website of the Ministry of Trade and Industry, Singapore (<http://app.mti.gov.sg/>).

Consolidated Income Statement for the 12 months ended 31 March 2008

	Note	Group		
		12 months ended 31-Mar-08	12 months ended 31-Mar-07	Change
		S\$'000	S\$'000	%
Revenue		483,701	126,683	281.8
Cost of sales	A	(385,935)	(107,123)	260.3
Gross profit		97,766	19,560	399.8
Other income	B	2,433	6,901	(64.7)
Distribution expenses		(226)	(62)	264.5
Administrative expenses		(1,856)	(871)	113.1
Other operating expenses	C	(33,948)	(12,704)	167.2
Results from operating activities		64,169	12,824	400.4
Finance income		299	194	54.1
Finance expenses		(4,120)	(1,972)	108.9
Net finance expenses		(3,821)	(1,778)	114.9
Share of loss of a jointly-controlled entity		-	(87)	(100.0)
Share of (loss)/profit of associates		(1,692)	227	(845.4)
Profit before income tax		58,656	11,186	424.4
Income tax expense	D	(13,300)	(1,878)	608.2
Profit for the year		45,356	9,308	387.3
Attributable to:				
Equity holders of the Company		43,213	8,638	400.3
Minority interests		2,143	670	219.9
Profit for the year		45,356	9,308	

Balance Sheets as at 31 March 2008

DESCRIPTION	Note	Group		Company	
		31-Mar-08	31-Mar-07	31-Mar-08	31-Mar-07
		S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets					
Property, plant and equipment	1	102,412	43,970	19	28
Lease prepayment		504	756	-	-
Land held for development		-	4,643	-	-
Goodwill on consolidation		3,396	-	-	-
Investment in subsidiaries		-	-	55,137	47,874
Interest in a jointly-controlled entity		-	914	-	-
Interest in associates		-	2,495	-	1,000
Quoted shares, available-for-sale		2	375	-	-
Non-current receivables:					
- Progress billings receivables		18,451	4,203	-	-
- Trade receivables		-	1,638	-	-
Other non-current assets		51	51	-	-
		124,816	59,045	55,156	48,902
Current assets					
Inventories	2	19,631	14,592	-	-
Construction work-in-progress	3	-	184	-	-
Land held for development		9,433	-	-	-
Land held for sale		1,862	7,652	-	-
Progress billings receivables		124,811	35,135	-	-
Trade and other receivables		50,333	38,189	47,725	29,826
Cash and cash equivalents		24,108	34,211	985	23,827
Assets classified as held for sale	1	-	4,331	-	-
		230,178	134,294	48,710	53,653
Total assets		354,994	193,339	103,866	102,555

Balance Sheets as at 31 March 2008 (cont'd)

DESCRIPTION	Note	Group		Company	
		31-Mar-08	31-Mar-07	31-Mar-08	31-Mar-07
		S\$'000	S\$'000	S\$'000	S\$'000
Equity attributable to equity holders of the Company					
Share capital		58,057	56,390	58,057	56,390
Reserves		71,337	28,867	22,185	7,969
		129,394	85,257	80,242	64,359
Minority interests		4,070	2,084	-	-
Total equity		133,464	87,341	80,242	64,359
Non-current liabilities					
Convertible notes		1,542	2,886	1,542	2,886
Obligations under finance leases		26,218	9,448	-	16
Loans and borrowings (secured)		14,587	16,226	9,072	14,755
Deferred tax liabilities		5,058	2,794	28	55
		47,405	31,354	10,642	17,712
Current liabilities					
Bank overdrafts (secured)		3,920	150	-	-
Trade and other payables	4	132,491	50,930	7,205	5,157
Excess of progress billings over construction work-in-progress	3	2,557	-	-	-
Current portion of obligations under finance leases		13,599	4,372	16	31
Loans and borrowings (secured)		9,693	17,238	5,761	15,296
Current tax payable		11,865	1,954	-	-
		174,125	74,644	12,982	20,484
Total liabilities		221,530	105,998	23,624	38,196
Total equity and liabilities		354,994	193,339	103,866	102,555

Consolidated Statement of Cash Flows for the 12 months ended 31 March 2008

	12 months ended <u>31-Mar-08</u> S\$'000	12 months ended <u>31-Mar-07</u> S\$'000
Operating activities		
Profit for the year	45,356	9,308
Adjustments for:		
Allowances made for:		
- inventory obsolescence	219	-
- foreseeable losses	94	1,044
- doubtful trade, progress billings and other receivables	2,453	875
Amortisation of:		
- intangible asset	1,556	-
- lease prepayment	252	252
Depreciation of property, plant and equipment	16,394	3,335
(Gain)/Loss on disposal of:		
- property, plant and equipment	(391)	(3,678)
- a jointly-controlled entity	239	-
- quoted shares, available-for-sale	(400)	-
Impairment losses on:		
- associates	872	-
- goodwill on consolidation	-	314
- land held for sale	1,000	-
- property, plant and equipment	266	242
Inventories written off	1,322	-
Negative goodwill arising from acquisition of a subsidiary	-	(1,292)
Net finance expenses	3,821	1,778
Property, plant and equipment written off	297	4
Share of loss of a jointly-controlled entity	-	87
Share of loss/(profit) of associates	1,692	(227)
Share option expense	2,276	780
Income tax expense	13,300	1,878
	90,618	14,700
Changes in working capital:		
Inventories	(7,349)	2,820
Land held for sale	-	2,827
Trade, progress billings and other receivables	(108,174)	(19,124)
Trade and other payables	77,530	3,043
Cash generated from operations	52,625	4,266
Income taxes paid	(2,022)	(350)
Interest received	299	194
Cash flows from operating activities	50,902	4,110

**Consolidated Statement of Cash Flows for the 12 months ended 31 March 2008
(cont'd)**

	12 months ended <u>31-Mar-08</u> S\$'000	12 months ended <u>31-Mar-07</u> S\$'000
Investing activities		
Purchase of property, plant and equipment	(27,162)	(7,614)
Proceeds from disposal of property, plant and equipment	2,697	23,679
Proceeds from disposal of interest in a jointly-controlled entity	926	-
Proceeds from disposal of quoted shares, available-for-sale	624	-
Acquisition of subsidiaries, net of cash acquired	(11,510)	(14,885)
Acquisition of interest in a jointly-controlled entity	-	(1,252)
Non-trade amount due from associates	55	(175)
Deposits paid for proposed acquisition of subsidiaries	-	(8,122)
Purchase of quoted shares, available-for-sale	-	*
Cash flows from investing activities	(34,370)	(8,369)
Financing activities		
Interest paid	(3,540)	(1,777)
Dividends paid:		
- Shareholders of the Company	(2,603)	-
- Minority shareholder of a subsidiary	(157)	-
Repayment of loan from a shareholder	-	(1,107)
Proceeds from bank loan	5,200	32,265
Repayment of bank loans	(17,716)	(13,386)
Repayment of finance lease obligations	(11,589)	(4,909)
Proceeds from issue of shares from rights issue	-	23,646
Decrease/(Increase) in fixed deposits pledged	1,563	(30)
Cash flows from financing activities	(28,842)	34,702
Net (decrease)/increase in cash and cash equivalents	(12,310)	30,443
Cash and cash equivalents at beginning of the year	32,498	2,055
Cash and cash equivalents at end of the year	20,188	32,498
Comprising:		
Cash and bank balances	24,108	34,211
Bank overdrafts (secured)	(3,920)	(150)
	20,188	34,061
Less:		
Fixed deposits pledged as security for bank facilities	-	(1,563)
	20,188	32,498

* Less than S\$1,000.

Statement of Changes in Equity for the 12 months ended 31 March 2008

<u>Group</u>	Share capital	Capital reserve	Reserve on consolidation	Fair value reserve	Share option reserve	Currency translation reserve	Other reserve	Accumulated profit	Total attributable to equity holders of the Company	Minority interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 April 2006	32,744	17,798	117	-	-	118	-	1,101	51,878	1,729	53,607
Translation differences relating to financial statements of foreign subsidiaries, associates and jointly-controlled entity	-	-	-	-	-	(210)	-	-	(210)	-	(210)
Net change in fair value of available-for-sale financial assets	-	-	-	274	-	-	-	-	274	-	274
Net gain/(loss) recognised directly in equity	-	-	-	274	-	(210)	-	-	64	-	64
Net profit for the year	-	-	-	-	-	-	-	8,638	8,638	670	9,308
Total recognised income and expense for the year	-	-	-	274	-	(210)	-	8,638	8,702	670	9,372
Issue of shares from right issues	23,646	-	-	-	-	-	-	-	23,646	-	23,646
Convertible notes - equity component	-	-	-	-	-	-	251	-	251	-	251
Value of employee services received for issue of share options	-	-	-	-	780	-	-	-	780	-	780
Dividends paid to minority shareholder	-	-	-	-	-	-	-	-	-	(315)	(315)
At 31 March 2007	56,390	17,798	117	274	780	(92)	251	9,739	85,257	2,084	87,341
At 1 April 2007	56,390	17,798	117	274	780	(92)	251	9,739	85,257	2,084	87,341
Translation differences relating to financial statements of foreign subsidiaries, associates and jointly-controlled entity	-	-	-	-	-	(15)	-	-	(15)	-	(15)
Net loss recognised directly in equity	-	-	-	-	-	(15)	-	-	(15)	-	(15)
Net profit for the year	-	-	-	-	-	-	-	43,213	43,213	2,143	45,356
Total recognised income and expense for the year	-	-	-	-	-	(15)	-	43,213	43,198	2,143	45,341
Effect arising from liquidation of a subsidiary	-	-	(1)	-	-	-	-	-	(1)	-	(1)
Effect arising from disposal of quoted shares, available-for-sale	-	-	-	(274)	-	-	-	-	(274)	-	(274)
Conversion of redeemable convertible notes	1,667	-	-	-	-	-	(126)	-	1,541	-	1,541
Value of employee services received for issue of share options	-	-	-	-	2,276	-	-	-	2,276	-	2,276
Special dividends paid of 0.231 cents per share (less tax at 18%)	-	-	-	-	-	-	-	(2,603)	(2,603)	-	(2,603)
Dividends paid to minority shareholder	-	-	-	-	-	-	-	-	-	(157)	(157)
At 31 March 2008	58,057	17,798	116	-	3,056	(107)	125	50,349	129,394	4,070	133,464

Statement of Changes in Equity for the 12 months ended 31 March 2008 (cont'd)

<u>Company</u>	<u>Share capital</u>	<u>Capital reserve</u>	<u>Share option reserve</u>	<u>Other reserve</u>	<u>Accumulated (losses)/profit</u>	<u>Total</u>
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 April 2006	32,744	17,798	-	-	(6,704)	43,838
Net loss for the year/Total recognised income and expense for the year	-	-	-	-	(4,156)	(4,156)
Issue of shares from right issues	23,646	-	-	-	-	23,646
Convertible notes - equity component	-	-	-	251	-	251
Value of employee services received for issue of share options	-	-	780	-	-	780
At 31 March 2007	56,390	17,798	780	251	(10,860)	64,359
At 1 April 2007	56,390	17,798	780	251	(10,860)	64,359
Net profit for the year/Total recognised income and expense for the year	-	-	-	-	14,669	14,669
Conversion of redeemable convertible notes	1,667	-	-	(126)	-	1,541
Value of employee services received for issue of share options	-	-	2,276	-	-	2,276
Special dividends paid of 0.231 cents per share (less tax at 18%)	-	-	-	-	(2,603)	(2,603)
At 31 March 2008	58,057	17,798	3,056	125	1,206	80,242

Note:

Capital reserve

	<u>Group</u>	<u>Company</u>
	S\$'000	S\$'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 full year results for the period from 1 April 2007 to 31 March 2008 ("FY08") with comparative figures for the 12 months period from 1 April 2006 to 31 March 2007 ("FY07"). Comparative figures in the statements for the previous financial year have been reclassified to conform to current year's presentation.

	Group	
	12 months ended 31/03/2008	12 months ended 31/03/2007
	S\$'000	S\$'000
A Cost of sales		
Cost of sales includes the following items:		
Allowance for inventory obsolescence	219	-
Depreciation of property, plant and equipment (1)	15,913	3,037
Impairment losses on		
- land held for sale	1,000	-
- property, plant and equipment	235	217
Inventories written down to net realisation value	38	40
Plant and equipment written off	100	-
Provision for loss of inventories (2)	1,322	1

(1) With effect from 1 April 2007, the Group revised the estimated useful lives of plant and machinery from 15 years to a period of 5 to 10 years. The change in the estimated useful lives was to better reflect the expected utility of these assets to the Group. The change in useful lives of the plant and machinery resulted in an increase in the Group's depreciation charge of S\$4,428,000.

(2) The provision for loss of sheet piles represents a one time charge to the Consolidated Income Statement in FY08. The provision arose from the supply of sheet piles to a contractor which has been placed under judicial management. The Group is currently exploring ways to recover the sheet piles from this contractor.

B Other income

Other income includes the following items:

Compensation from		
- a main contractor (3)	610	-
- a supplier	-	1,137
Gain on disposal of		
- property, plant and equipment	391	3,678
- quoted shares, available-for-sale (4)	400	-
Negative goodwill arising from acquisition of a subsidiary	-	1,292

(3) In April 2005, a subsidiary of the Company commenced legal proceedings against a contractor, claiming for loss of profits arising from the contractor's refusal to award the subsidiary the subcontract for piling works for a housing project, in breach of an exclusive agreement that was made sometime in September 2004. Both the High Court and the Court of Appeal decided in favour of the subsidiary. During FY08, the contractor and the subsidiary agreed to settle the claim at \$610,000 and full amount was paid to the subsidiary in June 2007.

Notes to the Consolidated Income Statement (cont'd)

B Other income (cont'd)

- (4) Quoted shares were issued to the Group as a result of settlements of debts owing from customers in previous years.

	Group	
	12 months ended 31/03/2008	12 months ended 31/03/2007
	S\$'000	S\$'000

C Other operating expenses

Other operating expenses includes the following items:

Allowance made for doubtful receivables	2,453	875
Amortisation of intangible asset (5)	1,556	-
Amortisation of lease prepayment	252	252
Bad debts written off	718	85
Depreciation of office equipment and furniture and fittings	481	298
Exchange loss/(gain)	187	(2)
Impairment losses on:		
- goodwill on consolidation	-	314
- investment in associates	872	-
- office equipment, furniture and fittings	31	25
Loss on disposal of a jointly-controlled entity	239	-
Plant and equipment written off	197	4
Share option expense	2,276	780

- (5) The intangible asset of S\$1,556,000 arose from the acquisition of a subsidiary, G-Pile Sistem Sdn. Bhd., in April 2007. The intangible asset was amortised to the Consolidated Income Statement in full over its estimated useful life of 6 months in FY08.

D Income tax expense

Current tax expense	11,914	1,785
Deferred tax expense	1,386	13
Under provision of tax in prior year	-	80
	<u>13,300</u>	<u>1,878</u>

Notes to the Consolidated Income Statement (cont'd)

E Interested person transactions

Interested person transactions carried out during the 12 months ended 31 March 2008 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)
(1) Tat Hong Heavyequipment (Pte.) Ltd.	NIL	S\$9,210,000
(1) Tat Hong Plant Leasing Pte Ltd	NIL	S\$551,000
(1) CMC Construction Pte Ltd	NIL	S\$3,243,000

Note:

(1) Tat Hong Heavyequipment (Pte.) Ltd., Tat Hong Plant Leasing Pte Ltd and CMC Construction Pte Ltd are related companies of TH Investments Pte Ltd, a substantial shareholder of the Company.

Notes to the Balance Sheets

1 Property, plant and equipment

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

	Group	
	As at 31/03/2008 S\$'000	As at 31/03/2007 S\$'000
<u>Cost/Valuation</u>		
Opening balance	67,167	35,443
Additions	59,498	14,084
Assets acquired through business combinations	10,766	18,406
Disposals	(3,064)	(745)
Written off	(1,838)	(21)
Translation differences on consolidation	(139)	-
Transfer from assets held for sale	4,331	-
Transfer from inventories	3,235	-
Closing balance	<u>139,956</u>	<u>67,167</u>
<u>Accumulated depreciation and impairment losses</u>		
Opening balance	23,197	20,011
Additions	16,660	3,577
Disposals	(758)	(374)
Written off	(1,541)	(17)
Translation differences on consolidation	(14)	-
Closing balance	<u>37,544</u>	<u>23,197</u>
Carrying amount	<u>102,412</u>	<u>43,970</u>

2 Inventories

	Group	
	As at 31/03/2008 S\$'000	As at 31/03/2007 S\$'000
Equipment and machinery held for sale	8,134	11,084
Spare parts	1,964	1,117
Materials on sites	<u>9,788</u>	<u>2,427</u>
	19,886	14,628
Allowance for inventory obsolescence	<u>(255)</u>	<u>(36)</u>
	<u>19,631</u>	<u>14,592</u>

3 (Excess of progress billings over construction work-in-progress)/Construction work-in-progress

	Group	
	As at 31/03/2008 S\$'000	As at 31/03/2007 S\$'000
Cost incurred and attributable profit	749,677	311,954
Allowance for foreseeable losses	<u>(1,327)</u>	<u>(1,232)</u>
	748,350	310,722
Progress billings	<u>(750,907)</u>	<u>(310,538)</u>
	<u>(2,557)</u>	<u>184</u>

Notes to the Balance Sheets (cont'd)

4 Trade and other payables

Included in Group's trade and other payables was advance payment received from a project of \$7,980,000.

5 Aggregate amount of Group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31/03/2008	
Secured	Unsecured
S\$'000	S\$'000
42,647	-

As at 31/03/2007	
Secured	Unsecured
S\$'000	S\$'000
28,792	-

Amount repayable after one year

As at 31/03/2008	
Secured	Unsecured
S\$'000	S\$'000
42,347	-

As at 31/03/2007	
Secured	Unsecured
S\$'000	S\$'000
28,560	-

Details of any collateral

The Group's total secured borrowings amounted to \$85.0 million (31 March 2007: \$57.4 million) and consist of convertible notes, finance leases, loans and borrowings. Included in the secured borrowings repayable within one year were bills payable and bills of exchange amounted to \$15.4 million and \$Nil respectively (31 March 2007: \$6.8 million and \$0.3 million).

The overdraft, trust receipts, finance lease obligations and term loan facilities are secured by legal mortgages over the Group's assets listed below and corporate guarantees by the Company and a related corporation:

- a) Property, plant and machinery;
- b) Industrial lands held for development and for sale;
- c) Fixed charge on assets of certain subsidiaries; and
- d) Fixed charge on shares of certain subsidiaries.

Notes to the Statement of Changes in Equity

1 Changes in the Company's Share Capital

On 28 June 2007 and 28 March 2008, a total of 13,148,423 ordinary shares and 22,324,407 ordinary shares respectively were allotted and issued upon the exercise of Convertible Notes. This gave rise to an increase in the Company's share capital from S\$56,389,678 as at 31 March 2007 to S\$58,057,408 as at 31 March 2008. Total number of ordinary shares issued as at 31 March 2008 was 1,147,864,781 shares (31 March 2007: 1,112,391,951 shares). As at 31 March 2008, there were outstanding Convertible Notes for conversion into 35,472,837 ordinary shares (31 March 2007: 70,945,667 ordinary shares) at a conversion price of S\$0.045 per share.

As at 31 March 2008, there were outstanding share options for conversion into 91,854,000 ordinary shares (31 March 2007: 51,104,000 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 financial statements for the year ended 31 March 2008 are prepared in accordance with the Singapore Financial Reporting Standards ("FRS") including related interpretations promulgated by the Council on Corporate Disclosure and Governance.

Except as mentioned in note A (1) to the Consolidated Income Statement, accounting policies and methods of computation used in the financial statements are consistent with those applied in the financial statements for the year ended 31 March 2007.

The Group adopted the following Interpretations of Financial Reporting Standards ("INT FRSs") on 1 January 2007:

INT FRS 108	<i>Scope of FRS 102 Share-based Payment</i>
INT FRS 110	<i>Interim Financial Reporting and Impairment</i>
INT FRS 111	<i>FRS 102 Group and Treasury Share Transactions</i>

The adoption of the above FRSs/INT FRSs in 2007 did not give rise to any adjustments to the opening balances of accumulated profit for the current and prior year or to changes in comparatives.

Certain comparatives have been reclassified to be consistent with the current year's presentation.

Earnings Per Share

(a) Basic earnings per ordinary share

	12 months ended 31/03/2008	12 months ended 31/03/2007
Based on the weighted average number of ordinary shares on issue	3.85 cents	0.87 cents
	12 months ended 31/03/2008 S\$'000	12 months ended 31/03/2007 S\$'000
Basic earnings per ordinary share is based on: Net profit attributable to ordinary shareholders	<u>43,213</u>	<u>8,638</u>
	12 months ended 31/03/2008	12 months ended 31/03/2007
	Number of shares	
Weighted average number of: Issued ordinary shares at beginning of the year	1,112,391,951	889,913,561
Ordinary shares issued under conversion of convertible notes	10,231,036	-
Rights issue of shares	-	4,096,040
Bonus element of rights issue of shares	-	<u>97,890,492</u>
Weighted average number of ordinary shares used to compute earnings per ordinary share	<u>1,122,622,987</u>	<u>991,900,093</u>

(b) Diluted earnings per ordinary share

	12 months ended 31/03/2008	12 months ended 31/03/2007
On a fully diluted basis	3.54 cents	0.86 cents
	12 months ended 31/03/2008 S\$'000	12 months ended 31/03/2007 S\$'000
Diluted earnings per ordinary share is based on:		
Net profit attributable to ordinary shareholders	43,213	8,638
Imputed interest on convertible notes, net of tax effect	<u>140</u>	<u>-</u>
Net profit attributable to ordinary shareholders adjusted for the effect of conversion of convertible notes	<u>43,353</u>	<u>8,638</u>

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

Earnings Per Share (cont'd)

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

	12 months ended 31/03/2008	12 months ended 31/03/2007
	Number of shares	
Weighted average number of: Ordinary shares used in the calculation of basic earnings per ordinary share	1,122,622,987	991,900,093
Potential ordinary shares issuable under conversion of share options	39,835,963	16,928,935
Potential ordinary shares issuable under conversion of convertible notes	<u>60,714,631</u>	<u>971,858</u>
Weighted average number of ordinary issued and potential shares assuming full conversion	<u>1,223,173,581</u>	<u>1,009,800,886</u>

Net Asset Value

	As at 31/03/2008	As at 31/03/2007
<u>Group</u> Net asset value per ordinary share based on issued share capital at the end of the year reported on	11.6 cents	7.9 cents
<u>Company</u> Net asset value per ordinary share based on issued share capital at the end of the year reported on	7.0 cents	5.8 cents

The net asset value per ordinary share is calculated based on net asset value over the total number of ordinary shares issued as at 31 March 2008 of 1,147,864,781 shares (31 March 2007: 1,112,391,951 shares).

Dividend

During the year, a special dividend has been declared and paid (31 March 2007: None). The Company has utilised its Section 44A credits for this net special dividend of 0.231 cents per share which comprise of gross dividends of 0.282 cents per share (less tax at 18%).

The Board of Directors is pleased to recommend a tax exempt one-tier final dividend of 0.5 cents per share and a tax exempt one-tier special dividend of 0.4 cents per share (31 March 2007: None) in respect of the financial year ended 31 March 2008 for approval by shareholders at the next Annual General Meeting to be convened

Name of dividend	Special	Final	Special	Total
Dividend type	Cash	Cash	Cash	Cash
Dividend per share (gross)	0.282 cents	0.5 cents	0.4 cents	1.182 cents
Tax rate	18%	Tax exempt	Tax exempt	

Total dividends paid and proposed in respect of the financial year ended 31 March 2008 will be 1.182 cents per share (31 March 2007: None). This is about 33.4% of Earnings per Share (on a fully diluted basis).

A separate announcement will be made on the Books Closure Date and shareholders will be advised accordingly on the relevant dates pertaining to the closure of the Transfer Books and the Register of Members of the Company for the preparation of the dividend warrants

Breakdown of Total Annual Dividend

	<u>31 March 2008</u> S\$'000	<u>31 March 2007</u> S\$'000
Special	2,603	-
Final*	5,739	-
Special*	<u>4,591</u>	-
Total	<u><u>12,933</u></u>	<u><u>-</u></u>

* Final and special dividends for the financial year ended 31 March 2008 are estimated based on share capital of 1,147,864,781 ordinary shares at the end of the financial year.

Segmental Revenue and Results

(a) Business segments

The Group comprises the following main business segments:-

Foundation engineering : Foundation and geotechnical engineering works.
 Trading & leasing of equipment : Trading and rental of foundation engineering equipment and related services.

	Foundation engineering S\$'000	Trading & leasing of equipment S\$'000	Others S\$'000	Eliminations S\$'000	Consolidated S\$'000
FY08					
Revenue					
External sales	448,962	33,941	798	-	483,701
Inter-segment revenue	22,163	15,261	423	(37,847)	-
Total revenue	471,125	49,202	1,221	(37,847)	483,701
Segmental results	64,844	6,020	(3,339)	(1,024)	66,501
Unallocated expenses					(2,332)
Net finance costs					(3,821)
Share of loss of associates					(1,692)
Income tax expense					(13,300)
Profit for the year					45,356
FY07					
Revenue					
External sales	116,085	6,241	4,357	-	126,683
Inter-segment revenue	4,965	9,412	847	(15,224)	-
Total revenue	121,050	15,653	5,204	(15,224)	126,683
Segmental results	10,595	1,363	1,961	(652)	13,267
Unallocated expenses					(443)
Net finance costs					(1,778)
Share of loss of a jointly-controlled entity					(87)
Share of profit of associates					227
Income tax expense					(1,878)
Profit for the year					9,308

Segmental Revenue and Results (cont'd)

(b) Geographical Segments

	Singapore S\$'000	Malaysia S\$'000	Eliminations S\$'000	Consolidated S\$'000
<u>FY08</u>				
Revenue				
- External sales	461,840	21,861	-	483,701
<u>FY07</u>				
Revenue				
- External sales	126,683	-	-	126,683

Breakdown of Sales

	12 months ended 31/03/2008 S\$'000	12 months ended 31/03/2007 S\$'000	Change %
(a) Sales reported for the first half year	185,044	53,674	244.8
(b) Operating profit after tax before deducting minority interest reported for the first half year	20,188	5,147	292.2
(c) Sales reported for the second half year	298,657	73,009	309.1
(d) Operating profit after tax before deducting minority interest reported for the second half year	25,168	4,161	504.9

By Order of the Board

Lee Quang Loong
Company Secretary
29 May 2008