



CSC HOLDINGS LIMITED

(Company Registration Number: 199707845E)

Financial Statements Announcement
for the First Quarter Ended 30 June 2008

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Review of the Performance of the Group

CONSOLIDATED INCOME STATEMENT

1Q09 – for the 3 months ended 30 June 2008

1Q08 – for the 3 months ended 30 June 2007

Revenue

For 1Q09, the Group continued to expand its capacity and capitalized on strong demand for foundation engineering works in Singapore. 1Q09's revenue increased 112.6% to \$156.8 million (1Q08: \$73.8 million).

Gross Profit

Gross profit increased from \$16.1 million in 1Q08 to \$28.8 million in 1Q09. However, due to the overall surge in construction costs in the industry, the Group's gross profit margin decreased to 18.4% in 1Q09 from 21.8% in 1Q08.

Other Income

Other income in 1Q09 declined by 22.8% to \$1.0 million, comprised mainly from disposal of plant and machinery amounting to \$0.4 million and disposal of its 33% equity interest in its associate, Concrete Technology Pte Ltd amounting to \$0.1 million.

Operating Expenses

Administrative and other operating expenses increased 77.3%, amounting to \$10.6 million (1Q08: \$6.0 million). Despite the substantial increase due to greater business activity, total administrative and other operating expenses as a percentage of total revenue declined from 8.1% in 1Q08 to 6.8% in 1Q09. This decrease reflected the economic benefit achieved through better economies of scale.

Finance Expenses

Net finance expenses for 1Q09 were \$1.3 million and it was 235.7% higher than \$0.4 million for 1Q08. This was to finance significant investments in plant and equipment incurred during FY08 and 1Q09.

Income Tax Expense

Income tax expense was higher at \$3.6 million (1Q08: \$2.0 million), in line with the Group's increase in pre-tax profit.

Profit After Tax

Overall, the Group achieved better profit after tax for 1Q09 amounting to \$14.2 million (1Q08: \$8.5 million), an increase of 66.1%. This was the result of increased volume of works completed with lower administrative and operating expenses in proportion to increased revenue.

Earnings per Share

Basic earnings per ordinary share for 1Q09 increased 61.1% to 1.16 cents (1Q08: 0.72 cents). Diluted earnings per ordinary share for 1Q09 increased 66.2% to 1.13 cents (1Q08: 0.68 cents).

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

BALANCE SHEETS

Property, Plant and Equipment

The Group invested substantially on capital expenditure to further expand its capacity in line with the strong demand for the Group's specialist foundation engineering works. Approximately \$20.5 million worth of plant and equipment was added in 1Q09. For the 12 months ended 31 March 2008, total addition on fixed assets was \$59.5 million.

Intangible Assets

Intangible assets increased to \$4.7 million from \$3.4 million as a result of the acquisition of Wisescan Engineering Services Pte Ltd. The acquisition was completed in April 2008.

Working Capital

The Group's working capital decreased marginally to \$54.0 million (31 March 2008: \$56.1 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
	30 June 2008	31 March 2008	
Total current assets	250,347	230,178	9%
Total current liabilities	<u>196,300</u>	<u>174,125</u>	13%
Working capital	<u>54,047</u>	<u>56,053</u>	-4%

Inventories and Receivables

Inventories increased to \$26.1 million from \$19.6 million to meet the increase in demand for foundation engineering works. The increase in trade and other receivables totalling \$193.0 million from \$175.1 million was in line with the increase in revenue.

Borrowings

The Group's borrowings as at 30 June 2008 increased slightly to \$87.2 million (please refer to note 5 to the Balance Sheets in page 18) from \$85.0 million. Despite the slight increase in borrowings, Debt Equity ratio decreased from 63.7% as at 31 March 2008 to 57.5% as at 30 June 2008 due to the enlarged equity base.

Deferred Tax Liabilities and Current Tax Payable

Deferred tax liabilities decreased to \$4.4 million (31 March 2008: \$5.1 million) mainly due to provision for deferred tax on fixed assets. Current tax payable increased to \$14.5 million (31 March 2008: \$11.9 million), in line with the increased in profit before income tax.

Equity

Group equity as at 30 June 2008 further strengthened to \$151.5 million (31 March 2008: \$133.5 million). The improvement was due to an increase of \$4.5 million in Share capital (conversion into ordinary shares from exercising of share options), an increase of \$12.2 million in Reserves (mainly due to the increase in retained earnings) and an increase of \$1.3 million in Minority interests (due to an increase in profit after tax in 1Q09 of a subsidiary).

Net Asset Value

Net asset value per ordinary share increased to 12.7 cents as at 30 June 2008 from 11.6 cents as at 31 March 2008.

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

CASH FLOW

1Q09 – for the 3 months ended 30 June 2008

1Q08 – for the 3 months ended 30 June 2007

Cash Flow from Operating Activities

The Group generated \$12.1 million in operating cash flow for 1Q09, a substantial increase over the \$0.4 million generated in 1Q08. This was attributable to higher profit made for the period and a general improvement in working capital.

Cash Flow from Investing Activities

Net cash out-flow from investing activities was \$15.2 million or 26.4% increase (1Q08: \$12.0 million). These comprised mainly of the following:

- cash portion in relation to purchases of property, plant and equipment amounting to \$13.8 million (1Q08: \$2.3 million);
- net of cash acquired from the acquisition of subsidiaries amounting to \$2.6 million (1Q08: \$11.5 million); and
- cash proceeds from the disposal of property, plant and equipment amounting to \$1.2 million (1Q08: \$1.5 million).

Cash Flow from Financing Activities

Net cash out-flow from financing activities declined to \$7.1 million, a 49.0% decrease (1Q08: \$13.8 million). These comprised mainly of the following:

- bank loans repayment of \$4.9 million in 1Q09 (1Q08: \$11.2 million) and finance lease liabilities of \$4.5 million (1Q08: \$1.9 million); and
- net cash proceeds from issue of shares under the share option scheme of \$2.9 million (1Q08: \$Nil).

Commentary on Current Period Prospects

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

Based on the Building and Construction Authority of Singapore's projections, the aggregate value of construction activities should rise to between \$23 billion and \$27 billion by the close of 2008. In the second quarter of 2008, the construction sector grew by an estimated 15.2%⁽¹⁾. The burgeoning demand for construction services has led the Government of Singapore to postpone some \$4.7 billion worth of public sector projects to 2010 and beyond, so as to ease the constraint on construction capacity and resources.

Such developments will have the effect of sustaining demand over the next few years, and will augur well for the Group over the medium term.

High crude oil and material prices, and shortages in manpower and equipment resources are likely to affect the Group's profit margin.

The Group's order book as at 1 August 2008 is approximately \$330 million with most of the projects to be completed within the next 12 months.

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 3 months ended 30 June 2008

	Note	Group		
		3 months ended 30-Jun-08	3 months ended 30-Jun-07	Change
		S\$'000	S\$'000	%
Revenue		156,846	73,769	112.6
Cost of sales	A	(128,028)	(57,654)	122.1
Gross profit		28,818	16,115	78.8
Other income	B	984	1,275	(22.8)
Distribution expenses		(5)	(39)	(87.2)
Administrative expenses		(522)	(475)	9.9
Other operating expenses	C	(10,110)	(5,485)	84.3
Results from operating activities		19,165	11,391	68.2
Finance income	D	20	351	(94.3)
Finance expenses		(1,366)	(752)	81.6
Net finance expenses		(1,346)	(401)	235.7
Share of loss of associates		(40)	(462)	(91.3)
Profit before income tax		17,779	10,528	68.9
Income tax expense	E	(3,616)	(2,000)	80.8
Profit for the period		14,163	8,528	66.1
Attributable to:				
Equity holders of the Company		13,553	8,040	68.6
Minority interests		610	488	25.0
Profit for the period		14,163	8,528	

Balance Sheets as at 30 June 2008

DESCRIPTION	Note	Group		Company	
		30-Jun-08	31-Mar-08	30-Jun-08	31-Mar-08
		S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets					
Property, plant and equipment	1	118,605	102,412	17	19
Intangible assets		4,690	3,396	-	-
Investments in:					
- subsidiaries		-	-	55,343	55,137
- associates		-	-	-	-
Quoted shares, available-for-sale		2	2	-	-
Lease prepayment		441	504	-	-
Trade and other receivables		19,489	18,451	-	-
Other non-current assets		51	51	-	-
		143,278	124,816	55,360	55,156
Current assets					
Inventories	2	26,138	19,631	-	-
Land held for development and sale		11,295	11,295	-	-
Trade and other receivables		192,990	175,144	46,770	47,725
Cash and cash equivalents		19,924	24,108	575	985
		250,347	230,178	47,345	48,710
Total assets		393,625	354,994	102,705	103,866

Balance Sheets as at 30 June 2008 (cont'd)

DESCRIPTION	Note	Group		Company	
		30-Jun-08	31-Mar-08	30-Jun-08	31-Mar-08
		S\$'000	S\$'000	S\$'000	S\$'000
Equity attributable to equity holders of the Company					
Share capital		62,593	58,057	62,593	58,057
Reserves		83,566	71,337	21,287	22,185
		146,159	129,394	83,880	80,242
Minority interests		5,326	4,070	-	-
Total equity		151,485	133,464	83,880	80,242
Non-current liabilities					
Financial liabilities		41,457	42,347	9,099	10,614
Deferred tax liabilities		4,383	5,058	28	28
		45,840	47,405	9,127	10,642
Current liabilities					
Financial liabilities		33,352	27,212	5,647	5,777
Trade and other payables	3	145,653	132,491	4,051	7,205
Excess of progress billings over construction work-in-progress	4	2,769	2,557	-	-
Current tax payable		14,526	11,865	-	-
		196,300	174,125	9,698	12,982
Total liabilities		242,140	221,530	18,825	23,624
Total equity and liabilities		393,625	354,994	102,705	103,866

Consolidated Statement of Cash Flows for the 3 months ended 30 June 2008

	3 months ended <u>30-Jun-08</u> S\$'000	3 months ended <u>30-Jun-07</u> S\$'000
Operating activities		
Profit for the period	14,163	8,528
Adjustments for:		
Allowance made/(reversed) for foreseeable losses on construction work-in-progress	254	(43)
Amortisation of:		
- intangible assets	59	778
- lease prepayment	63	63
Depreciation of property, plant and equipment	4,657	3,767
Gain on disposal of:		
- an associate	(116)	-
- property, plant and equipment	(389)	(592)
Impairment losses on:		
- an associate	80	-
- trade, progress billing and other receivables	858	33
- property, plant and equipment	1,072	-
Net finance expenses	1,346	401
Property, plant and equipment written off	55	149
Share of loss of associates	40	462
Share option expense	593	267
Income tax expense	3,616	2,000
	26,351	15,813
Changes in working capital:		
Inventories	(6,192)	(1,596)
Trade, progress billing and other receivables	(18,164)	(34,580)
Trade and other payables	11,959	21,109
Cash generated from operations	13,954	746
Income taxes paid	(1,850)	(518)
Interest received	20	181
Cash flows from operating activities	12,124	409

**Consolidated Statement of Cash Flows for the 3 months ended 30 June 2008
(cont'd)**

	3 months ended <u>30-Jun-08</u> S\$'000	3 months ended <u>30-Jun-07</u> S\$'000
Investing activities		
Purchase of property, plant and equipment	(13,766)	(2,324)
Proceeds from disposal of:		
- interest in an associate	116	-
- quoted shares, available-for-sale	-	185
- property, plant and equipment	1,213	1,450
Acquisition of subsidiaries, net of cash acquired	(2,634)	(11,510)
Non-trade amount owing by associates	(129)	175
Cash flows from investing activities	(15,200)	(12,024)
Financing activities		
Interest paid	(1,176)	(730)
Proceeds from bank loan	757	-
Repayment of bank loans	(4,853)	(11,210)
Repayment of finance lease liabilities	(4,452)	(1,879)
Proceeds from issue of shares under share option scheme	2,900	-
Non-trade amount owing to a related corporation	-	2
Increase in fixed deposits pledged	(228)	-
Cash flows from financing activities	(7,052)	(13,817)
Net decrease in cash and cash equivalents	(10,128)	(25,432)
Cash and cash equivalents at beginning of the period	20,188	32,498
Cash and cash equivalents at end of the period	10,060	7,066
Comprising:		
Cash and cash equivalents	19,924	10,217
Bank overdrafts (secured)	(9,636)	(1,588)
	10,288	8,629
Less:		
Fixed deposits pledged as security for bank facilities	(228)	(1,563)
Cash and cash equivalents in the consolidated cash flow statement	10,060	7,066

Statement of Changes in Equity for the 3 months ended 30 June 2008

Group	Share capital	Capital reserve	Reserve on consolidation	Fair value reserve	Share option reserve	Currency translation reserve	Other reserve	Accumulated profits	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 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	-	-	-	-	-	100	-	-	100	-	100
Net change in fair value of available-for-sale financial assets transferred to the income statement	-	-	-	(129)	-	-	-	-	(129)	-	(129)
Net (loss)/gain recognised directly in equity	-	-	-	(129)	-	100	-	-	(29)	-	(29)
Profit for the period	-	-	-	-	-	-	-	8,040	8,040	488	8,528
Total recognised income and expense for the period	-	-	-	(129)	-	100	-	8,040	8,011	488	8,499
Effect arising from liquidation of a subsidiary	-	-	(1)	-	-	-	-	-	(1)	-	(1)
Conversion of redeemable convertible notes	601	-	-	-	-	-	(46)	-	555	-	555
Value of employee services received for issue of share options	-	-	-	-	267	-	-	-	267	-	267
At 30 June 2007	56,991	17,798	116	145	1,047	8	205	17,779	94,089	2,572	96,661
At 1 April 2008	58,057	17,798	116	-	3,056	(107)	125	50,349	129,394	4,070	133,464
Translation differences relating to financial statements of foreign subsidiaries and associates	-	-	-	-	-	(345)	-	-	(345)	-	(345)
Disposal of an associate	-	-	-	-	-	64	-	-	64	-	64
Net loss recognised directly in equity	-	-	-	-	-	(281)	-	-	(281)	-	(281)
Profit for the period	-	-	-	-	-	-	-	13,553	13,553	610	14,163
Total recognised income and expense for the period	-	-	-	-	-	(281)	-	13,553	13,272	610	13,882
Issue of shares under share option scheme	4,536	-	-	-	(1,636)	-	-	-	2,900	-	2,900
Value of employee services received for issue of share options	-	-	-	-	593	-	-	-	593	-	593
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	646	646
At 30 June 2008	62,593	17,798	116	-	2,013	(388)	125	63,902	146,159	5,326	151,485

Statement of Changes in Equity for the 3 months ended 30 June 2008 (cont'd)

<u>Company</u>	Share capital	Capital reserve	Share option reserve	Other reserve	Accumulated (losses)/profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 April 2007	56,390	17,798	780	251	(10,860)	64,359
Profit for the period/Total recognised income and expense for the period	-	-	-	-	182	182
Conversion of redeemable convertible notes	601	-	-	(46)	-	555
Value of employee services received for issue of share options	-	-	267	-	-	267
At 30 June 2007	56,991	17,798	1,047	205	(10,678)	65,363
At 1 April 2008	58,057	17,798	3,056	125	1,206	80,242
Profit for the period/Total recognised income and expense for the period	-	-	-	-	145	145
Issue of shares under share option scheme	4,536	-	(1,636)	-	-	2,900
Value of employee services received for issue of share options	-	-	593	-	-	593
At 30 June 2008	62,593	17,798	2,013	125	1,351	83,880

Note:

Capital reserve

	<u>Group</u> S\$'000	<u>Company</u> 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 first quarter results for the period from 1 April 2008 to 30 June 2008 ("1Q09") with comparative figures for the 3 months period from 1 April 2007 to 30 June 2007 ("1Q08").

	Group	
	3 months ended 30/06/2008 S\$'000	3 months ended 30/06/2007 S\$'000
A Cost of sales		
Cost of sales includes the following items:		
Allowance made/(reversed) for foreseeable losses on construction work-in-progress	254	(43)
Depreciation of property, plant and equipment	4,299	3,685

B Other income

	Group	
	3 months ended 30/06/2008 S\$'000	3 months ended 30/06/2007 S\$'000
Other income includes the following items:		
Compensation from a main contractor (1)	-	610
Gain on disposal of property, plant and equipment	389	592
Gain on disposal of an associate (2)	116	-

(1) 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 foundation engineering 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 1Q08, the contractor and the subsidiary agreed to settle the claim at S\$610,000 and full amount was paid to the subsidiary in June 2007.

(2) In May 2008, the Group entered into a sale and purchase agreement with a third party to dispose of its 33% equity interest in its associate, Concrete Technology Pte Ltd, for a consideration of S\$116,000, giving rise to a gain on disposal of S\$116,000.

Notes to the Consolidated Income Statement (cont'd)

	Group	
	3 months ended 30/06/2008	3 months ended 30/06/2007
	<u>S\$'000</u>	<u>S\$'000</u>
C Other operating expenses		
Other operating expenses includes the following items:		
Amortisation of intangible assets (3)	59	778
Amortisation of lease prepayment	63	63
Bad debts written off	-	31
Depreciation of office equipment and furniture and Fittings	358	82
Exchange loss	43	91
Impairment losses on trade, progress billing and other receivables		
- an associate	80	-
- trade, progress billing and other receivables	858	33
- property, plant and equipment	1,072	-
Plant and equipment written off	55	149
Share option expense	593	267

(3) Intangible asset of S\$235,000 arose from the acquisition of a subsidiary, Wisescan Engineering Services Pte Ltd, in April 2008. The intangible asset was amortised to the Consolidated Income Statement over its estimated useful life of 12 months.

D Finance income

Included in Group's 1Q08 finance income was gain on disposal of quoted shares, available-for-sale, of S\$170,000. Quoted shares were issued to the Group as a result of settlements of debts owing from customers in previous years.

E Income tax expense

	Group	
	3 months ended 30/06/2008	3 months ended 30/06/2007
	<u>S\$'000</u>	<u>S\$'000</u>
Current tax expense		
- current period	3,564	2,000
- under provided in prior years	949	-
	<u>4,513</u>	<u>2,000</u>
Deferred tax income		
- current period	(316)	-
- over provided in prior years	(581)	-
	<u>(897)</u>	<u>-</u>
	<u>3,616</u>	<u>2,000</u>

Notes to the Consolidated Income Statement (cont'd)

F Interested person transactions

Interested person transactions carried out during the 3 months ended 30 June 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\$7,326,000

Note:

(1) Tat Hong Heavyequipment (Pte.) Ltd. is a related corporation 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 30/06/2008 S\$'000	As at 31/03/2008 S\$'000
<u>Cost</u>		
Opening balance	139,956	67,167
Additions	21,088	59,498
Assets acquired through business combinations	2,000	10,766
Disposals	(1,160)	(3,064)
Write-offs	(94)	(1,838)
Reclassification from inventories	-	3,235
Transfer from assets held for sale	-	4,331
Translation differences on consolidation	(330)	(139)
Closing balance	<u>161,460</u>	<u>139,956</u>
<u>Accumulated depreciation and impairment losses</u>		
Opening balance	37,544	23,197
Additions	5,729	16,660
Disposals	(336)	(758)
Write-offs	(39)	(1,541)
Translation differences on consolidation	(43)	(14)
Closing balance	<u>42,855</u>	<u>37,544</u>
Carrying amount	<u>118,605</u>	<u>102,412</u>

2 Inventories

	Group	
	As at 30/06/2008 S\$'000	As at 31/03/2008 S\$'000
Equipment and machinery held for sale	12,722	8,134
Spare parts	2,045	1,964
Materials on sites	<u>11,626</u>	<u>9,788</u>
	26,393	19,886
Allowance for inventory obsolescence	<u>(255)</u>	<u>(255)</u>
	<u>26,138</u>	<u>19,631</u>

3 Trade and other payables

Included in Group's trade and other payables was advance payment received from a project of S\$1,995,000.

Notes to the Balance Sheets (cont'd)

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

	Group	
	As at 30/06/2008	As at 31/03/2008
	S\$'000	S\$'000
Cost incurred and attributable profit	814,556	749,677
Allowance for foreseeable losses	(1,581)	(1,327)
	<u>812,975</u>	<u>748,350</u>
Progress billings	(815,744)	(750,907)
	<u>(2,769)</u>	<u>(2,557)</u>

5 Aggregate amount of Group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30/06/2008	
Secured	Unsecured
S\$'000	S\$'000
45,699	-

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

Amount repayable after one year

As at 30/06/2008	
Secured	Unsecured
S\$'000	S\$'000
41,457	-

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

Details of any collateral

The Group's total secured borrowings amounted to \$87.2 million (31 March 2008: \$85.0 million) and consist of convertible notes, finance leases, loans and borrowings. Included in the secured borrowings repayable within one year were bills payable amounted to \$12.3 million (31 March 2008: \$15.4 million).

The overdrafts, trust receipts, finance lease obligations and bank 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; and
- e) Fixed deposits of a subsidiary.

Notes to the Statement of Changes in Equity

1 Changes in the Company's Share Capital

During the 3 months ended 30 June 2008, 43,267,000 share options for conversion into ordinary shares were exercised under the CSC Executive Share Option Scheme 2004. This gave rise to an increase in the Company's share capital from S\$58,057,408 as at 31 March 2008 to S\$62,592,853 as at 30 June 2008. Total number of ordinary shares issued as at 30 June 2008 was 1,191,131,781 shares (31 March 2008: 1,147,864,781 shares). As at 30 June 2008, there were outstanding share options for conversion into 47,637,000 ordinary shares (31 March 2008: 91,854,000 ordinary shares) under the CSC Executive Share Option Scheme 2004.

As at 30 June 2008, there were outstanding Convertible Notes for conversion into 35,472,837 ordinary shares (31 March 2008: 35,472,837 ordinary shares) at a conversion price of S\$0.045 per share.

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 2008.

Earnings Per Share

(a) Basic earnings per ordinary share

	3 months ended 30/06/2008	3 months ended 30/06/2007
Based on the weighted average number of ordinary shares on issue	1.16 cents	0.72 cents
	3 months ended 30/06/2008 S\$'000	3 months ended 30/06/2007 S\$'000
Basic earnings per ordinary share is based on: Net profit attributable to ordinary shareholders	<u>13,553</u>	<u>8,040</u>

Earnings Per Share (cont'd)

	3 months ended 30/06/2008	3 months ended 30/06/2007
	Number of shares	
Weighted average number of: Issued ordinary shares at beginning of the period	1,147,864,781	1,112,391,951
Ordinary shares issued under conversion of share options	15,622,637	-
Ordinary shares issued under conversion of convertible notes	-	866,929
Weighted average number of ordinary shares used to compute earnings per ordinary share	<u>1,163,487,418</u>	<u>1,113,258,880</u>

(b) Diluted earnings per ordinary share

	3 months ended 30/06/2008	3 months ended 30/06/2007
On a fully diluted basis	1.13 cents	0.66 cents
	3 months ended 30/06/2008	3 months ended 30/06/2007
	S\$'000	S\$'000
Diluted earnings per ordinary share is based on:		
Net profit attributable to ordinary shareholders	13,553	8,040
Imputed interest on convertible notes, net of tax effect	<u>20</u>	<u>33</u>
Net profit attributable to ordinary shareholders adjusted for the effect of conversion of convertible notes	<u>13,573</u>	<u>8,073</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 period outstanding.

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

	3 months ended 30/06/2008	3 months ended 30/06/2007
	Number of shares	
Weighted average number of: Ordinary shares used in the calculation of basic earnings per ordinary share	1,163,487,418	1,113,258,880
Potential ordinary shares issuable under conversion of share options	5,255,616	38,820,368
Potential ordinary shares issuable under conversion of convertible notes	<u>35,472,837</u>	<u>70,078,738</u>
Weighted average number of ordinary issued and potential shares assuming full conversion	<u>1,204,215,871</u>	<u>1,222,157,986</u>

Net Asset Value

	<u>As at 30/06/2008</u>	<u>As at 31/03/2008</u>
<u>Group</u>		
Net asset value per ordinary share based on issued share capital at the end of the period reported on	12.7 cents	11.6 cents
<u>Company</u>		
Net asset value per ordinary share based on issued share capital at the end of the period reported on	7.0 cents	7.0 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 30 June 2008 of 1,191,131,781 shares (31 March 2008: 1,147,864,781 shares).

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
Company Secretary
7 August 2008