



CSC HOLDINGS LIMITED

(Company Registration Number: 199707845E)

Financial Statements Announcement
for the Second Quarter Ended 30 September 2008

Table of Contents

Page

REVIEW OF THE PERFORMANCE OF THE GROUP	3
COMMENTARY ON CURRENT PERIOD PROSPECTS	6
CONSOLIDATED INCOME STATEMENT FOR THE 2ND QUARTER ENDED 30 SEPTEMBER 2008	7
BALANCE SHEETS AS AT 30 SEPTEMBER 2008	8
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 2ND QUARTER ENDED 30 SEPTEMBER 2008	10
STATEMENT OF CHANGES IN EQUITY FOR THE 2ND QUARTER ENDED 30 SEPTEMBER 2008	12
NOTES TO THE FINANCIAL STATEMENTS	14
NOTES TO THE CONSOLIDATED INCOME STATEMENT	14
<i>A Cost of sales</i>	14
<i>B Other income</i>	14
<i>C Other operating expenses</i>	15
<i>D Finance income</i>	15
<i>E Income tax expense</i>	15
<i>F Interested person transactions</i>	16
NOTES TO THE BALANCE SHEETS.....	17
1 <i>Property, plant and equipment</i>	17
2 <i>Inventories</i>	17
3 <i>Excess of progress billings over construction work-in-progress</i>	17
4 <i>Aggregate amount of Group's borrowings and debt securities</i>	18
NOTES TO THE STATEMENT OF CHANGES IN EQUITY.....	19
1 <i>Changes in the Company's Share Capital</i>	19
AUDIT	19
ACCOUNTING POLICIES	19
EARNINGS PER SHARE	19
NET ASSET VALUE	21
DIVIDEND	21
CONFIRMATION	22

Review of the Performance of the Group

CONSOLIDATED INCOME STATEMENT

2Q09 – for the 3 months ended 30 September 2008
2Q08 – for the 3 months ended 30 September 2007
1HY09 – for the 6 months ended 30 September 2008
1HY08 – for the 6 months ended 30 September 2007

SECOND QUARTER REVIEW

For 2Q09 and 1HY09, the Group recorded a significant 15.7% and 37.0% improvement respectively in its earnings over the previous corresponding period. Basic earnings per share was boosted to 1.04 cents per share and 2.20 cents per share for 2Q09 and 1HY09 respectively, an increase of 4% and 28.7% increase over the same periods last year.

	2Q09 \$'000	2Q08 \$'000	Change %	1HY09 \$'000	1HY08 \$'000	Change %
Revenue	177,284	111,275	59.3%	334,130	185,044	80.6%
Gross profit	28,935	23,936	20.9%	57,753	40,051	44.2%
Profit before income tax	17,301	14,841	16.6%	35,080	25,369	38.3%
Profit for the period	13,495	11,660	15.7%	27,658	20,188	37.0%

Revenue

Revenue for 2Q09 and 1HY 09 were \$177.3 million and \$334.1 million respectively 59.3% and 80.6% higher than the respective corresponding periods reflecting the strong demand in the construction sector in Singapore. The Group was able to capitalise and cater to this strong demand due to increased capacity resulting from the capital expenditure incurred over the last financial year.

Gross Profit

The resultant increase in revenue led to an increase in gross profit of \$28.9 million in 2Q09 and \$57.8 million in 1HY09. However, due to the industry-wide increase in construction costs since the last quarter the Group's gross profit margin had decreased to 16.3% and 17.3% as compared to 21.5% and 21.6% in the corresponding period.

Operating Expenses

Administrative, distribution and other operating expenses ("Operating Expenses") were \$10.8 million and \$21.5 million for 2Q09 and 1HY09 respectively. This was an increase of 25.2% and 46.5% compared to the corresponding periods which commensurate with the higher revenues achieved. Despite the increase, the ratio of Operating Expenses to revenue for 2Q09 and 1HY09 were 6.1% and 6.4% as compared to 7.8% and 7.9% for the previous corresponding periods, a feat achieved through better economies of scale.

Finance Expenses

Net finance expenses were \$1.3 million and \$2.7 million for 2Q09 and 1HY09 respectively, an increase of 130% and 173% compared to their respective corresponding periods. The increase primarily reflected the financing costs incurred to finance the acquisition of productive assets.

Share of loss of associates

The Group's share of losses from associates was down 71.1% and 84.4% for 2Q09 and 1HY09 as compared to their respective periods last year due to a disposal of its loss-making associate company, Concrete Technology Pte Ltd, in May 2008.

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

BALANCE SHEETS

Property, Plant and Equipment

The Group's property, plant and equipment were \$124.7 million as of 30 September 2008 as compared to \$102.4 million as of 31 March 2008 primarily due to capital expenditure to expand the Group's productive capacity.

Intangible Assets

Intangible assets representing goodwill arising from acquisition of subsidiaries increased from \$3.4 million to \$4.1 million was due to the additional goodwill acquired resulting from the acquisition of a subsidiary, Wisescan Engineering Services Pte Ltd.

Non-current Trade and Other Receivables

Non-current trade and other receivables consist mainly of retention monies due from clients. The increase in retention sums from \$18.5 million to \$21.1 million was the result of increased business activities over the last six months.

Working Capital

As of 30 September 2008 the Group had positive working capital or net current assets of \$54.6 million or a net current assets to current liabilities ratio of 1.3.

Inventories and Receivables

The Group had inventories and trade receivables amounting to \$ 218.4 million as compared to \$194.8 million as of 31 March 2008. The increase was in line with the higher volume of activities of the Group for the first half of the financial year ending 31 March 2009.

Borrowings

Group borrowings as of 30 September 2008 amounted to \$97.2 million. Despite the increase which was largely attributed to financing obtained to acquire productive assets, the Group's debt equity ratio improved to 62.4% from 63.7% as of 31 March 2008.

Equity and Net Asset Value

Group equity as of 30 September 2008 was \$155.7 million (31 March 2008: \$133.5 million). The Group's share capital increased by \$5.6 million due to the conversion of convertible notes and the exercise of share options. Revenue reserves of the Group had also increased to \$65.6 million. Despite the increase in the number of shares, the Group's net asset value per share as of 30 September 2008 had increased by 11.2% to 12.9 cents as compared to 11.6 cents as of 31 March 2008.

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

CASH FLOW

Cash Flow from Operating Activities

The Group generated operating cash flow of \$26.1 million and \$34.1 million on the back of a \$13.5 million and \$27.7 million profit for 2Q09 and 1HY09 respectively

Cash Flow from Investing Activities

The Group had invested \$31.8 million in 1HY09 to increase the Group's productive capacity and hence had incurred a net outflow of \$12.0 million from such investing activities for 1HY09 which was a drop of 28.6% as compared to 1HY08. The Group had also disposed of some older equipments when the new replacements came in and these disposals contributed \$1.6 million to the Group's cash inflow for 1HY09.

Cash Flow from Financing Activities

The Group had paid out \$10.7 million in dividend to shareholders in September 2008 while receiving \$3.0 million in equity arising from the conversion of share options.

In addition, the Group had net loan repayments including interest payments of \$10.7 million and \$21.2 million for 2Q09 and 1HY09 respectively which led to a net cash outflow from its financing activities.

Commentary on Current Period Prospects

Despite a contraction in Singapore's economy, growth in the construction sector has been slightly more resilient. Although the pace of growth in the sector has slowed to 7.8% in the third quarter of 2008, compared to about 18.3% in the first half of the year, the aggregate value of domestic construction activities as projected by the Building and Construction Authority of Singapore, is expected to reach between \$27 billion and \$32 billion by the close of the current calendar year.

The Group's order book as of 1 November 2008 was approximately \$250 million. There is a slowdown in the construction sector, particularly development projects from the private sector. This will have an impact on the Group's performance. However, public sector infrastructure projects like the previously announced rail and road projects will proceed as planned. In addition, some \$4.7 billion worth of public projects were deferred in the earlier part of the year as the government authorities did not want to compete with the private sectors for construction resources. These projects are likely to come on stream at appropriate times. These proposed projects will augur well for the Group.

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

Consolidated Income Statement for the 2nd Quarter ended 30 September 2008

	Note	Group					
		2nd Quarter ended		Change	6 months ended		Change
		30-Sep-08	30-Sep-07		30-Sep-08	30-Sep-07	
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue		177,284	111,275	59.3	334,130	185,044	80.6
Cost of sales	A	(148,349)	(87,339)	69.9	(276,377)	(144,993)	90.6
Gross profit		28,935	23,936	20.9	57,753	40,051	44.2
Other income	B	611	383	59.5	1,595	1,658	(3.8)
Distribution expenses		(69)	(54)	27.8	(74)	(93)	(20.4)
Administrative expenses		(378)	(471)	(19.7)	(900)	(946)	(4.9)
Other operating expenses	C	(10,384)	(8,127)	27.8	(20,494)	(13,612)	50.6
Results from operating activities		18,715	15,667	19.5	37,880	27,058	40.0
Finance income	D	11	357	(96.9)	31	708	(95.6)
Finance expenses		(1,355)	(941)	44.0	(2,721)	(1,693)	60.7
Net finance expenses		(1,344)	(584)	130.1	(2,690)	(985)	173.1
Share of loss of associates		(70)	(242)	(71.1)	(110)	(704)	(84.4)
Profit before income tax		17,301	14,841	16.6	35,080	25,369	38.3
Income tax expense	E	(3,806)	(3,181)	19.6	(7,422)	(5,181)	43.3
Profit for the period		13,495	11,660	15.7	27,658	20,188	37.0
Attributable to:							
Equity holders of the Company		12,399	11,098	11.7	25,952	19,138	35.6
Minority interests		1,096	562	95.0	1,706	1,050	62.5
Profit for the period		13,495	11,660		27,658	20,188	

Balance Sheets as at 30 September 2008

DESCRIPTION	Note	Group		Company	
		30-Sep-08	31-Mar-08	30-Sep-08	31-Mar-08
		S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets					
Property, plant and equipment	1	124,692	102,412	16	19
Intangible assets		4,055	3,396	-	-
Investments in:					
- subsidiaries		-	-	66,929	55,137
- associates		-	-	-	-
Quoted shares, available-for-sale		6	2	-	-
Lease prepayment		378	504	-	-
Trade and other receivables		21,066	18,451	-	-
Other non-current assets		53	51	-	-
		150,250	124,816	66,945	55,156
Current assets					
Inventories	2	28,118	19,631	-	-
Land held for development and sale		10,995	11,295	-	-
Trade and other receivables		190,242	175,144	35,909	47,725
Cash and cash equivalents		22,262	24,108	249	985
		251,617	230,178	36,158	48,710
Total assets		401,867	354,994	103,103	103,866

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

DESCRIPTION	Note	Group		Company	
		30-Sep-08	31-Mar-08	30-Sep-08	31-Mar-08
		S\$'000	S\$'000	S\$'000	S\$'000
Equity attributable to equity holders of the Company					
Share capital		63,627	58,057	63,627	58,057
Reserves		85,497	71,337	21,615	22,185
		149,124	129,394	85,242	80,242
Minority interests		6,593	4,070	-	-
Total equity		155,717	133,464	85,242	80,242
Non-current liabilities					
Financial liabilities		45,667	42,347	7,630	10,614
Deferred tax liabilities		3,502	5,058	14	28
		49,169	47,405	7,644	10,642
Current liabilities					
Financial liabilities		34,574	27,212	5,588	5,777
Trade and other payables		141,151	132,491	4,629	7,205
Excess of progress billings over construction work-in-progress	3	6,792	2,557	-	-
Current tax payable		14,464	11,865	-	-
		196,981	174,125	10,217	12,982
Total liabilities		246,150	221,530	17,861	23,624
Total equity and liabilities		401,867	354,994	103,103	103,866

Consolidated Statement of Cash Flows for the 2nd Quarter ended 30 September 2008

	2nd Quarter ended		6 months ended	
	<u>30-Sep-08</u> S\$'000	<u>30-Sep-07</u> S\$'000	<u>30-Sep-08</u> S\$'000	<u>30-Sep-07</u> S\$'000
Operating activities				
Profit for the period	13,495	11,660	27,658	20,188
Adjustments for:				
Allowances (reversed)/made for:				
- foreseeable losses on construction work-in-progress	(22)	488	232	445
- foreseeable losses on land held for sale	300	1,000	300	1,000
- inventory obsolescence	324	-	324	-
Amortisation of:				
- intangible assets	59	778	118	1,556
- lease prepayment	63	63	126	126
Depreciation of property, plant and equipment	5,059	4,492	9,716	8,259
Impairment losses on:				
- an associate	-	-	80	-
- goodwill on consolidation	500	-	500	-
- property, plant and equipment	427	-	1,499	-
- trade, progress billing and other receivables	1,227	2,105	2,085	2,138
Inventories written off	-	1,268	-	1,268
Loss on dilution of interest in a subsidiary	125	-	125	-
Loss/(Gain) on disposal of:				
- a jointly-controlled entity	-	239	-	239
- an associate	-	-	(116)	-
- property, plant and equipment	(229)	(66)	(618)	(658)
Net finance expenses	1,344	584	2,690	985
Property, plant and equipment written off	4	148	59	297
Share of loss of associates	70	242	110	704
Share option expense	446	518	1,039	785
Income tax expense	3,806	3,181	7,422	5,181
	26,998	26,700	53,349	42,513
Changes in working capital:				
Inventories	214	(1,749)	(5,978)	(3,345)
Trade, progress billing and other receivables	3,942	(7,571)	(14,222)	(42,151)
Trade and other payables	(298)	15,033	7,609	36,142
Cash generated from operations	30,856	32,413	40,758	33,159
Income taxes paid	(4,812)	(631)	(6,662)	(1,149)
Interest received	11	84	31	265
Cash flows from operating activities	26,055	31,866	34,127	32,275

Consolidated Statement of Cash Flows for the 2nd Quarter ended 30 September 2008 (cont'd)

	2nd Quarter ended		6 months ended	
	<u>30-Sep-08</u>	<u>30-Sep-07</u>	<u>30-Sep-08</u>	<u>30-Sep-07</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Investing activities				
Purchase of property, plant and equipment	(2,277)	(14,472)	(11,991)	(16,796)
Proceeds from disposal of:				
- interest in a jointly-controlled entity	-	926	-	926
- interest in an associate	-	-	116	-
- property, plant and equipment	406	34	1,619	1,484
- quoted shares, available-for-sale	-	358	-	543
Acquisition of subsidiaries, net of cash acquired	-	-	(2,634)	(11,510)
Non-trade amount owing by associates	(70)	(120)	(199)	55
Cash flows from investing activities	(1,941)	(13,274)	(13,089)	(25,298)
Financing activities				
Interest paid	(1,307)	(868)	(2,483)	(1,598)
Dividends paid	(10,734)	-	(10,734)	-
Proceeds from:				
- bank loans	2,000	5,200	2,757	5,200
- capital contribution from a minority shareholder	13	-	13	-
- issue of shares under share option scheme	102	-	3,002	-
Repayment of:				
- bank loans	(4,369)	(3,949)	(9,222)	(15,159)
- finance lease liabilities	(5,050)	(2,918)	(9,502)	(4,797)
Non-trade amount owing to a related corporation	-	-	-	2
Increase in fixed deposits pledged	-	-	(228)	-
Cash flows from financing activities	(19,345)	(2,535)	(26,397)	(16,352)
Net increase/(decrease) in cash and cash equivalents	4,769	16,057	(5,359)	(9,375)
Cash and cash equivalents at beginning of the period	10,060	7,066	20,188	32,498
Cash and cash equivalents at end of the period	14,829	23,123	14,829	23,123
Comprising:				
Cash and cash equivalents	22,262	27,332	22,262	27,332
Bank overdrafts (secured)	(7,205)	(2,646)	(7,205)	(2,646)
	15,057	24,686	15,057	24,686
Less:				
Fixed deposits pledged as security for bank facilities	(228)	(1,563)	(228)	(1,563)
Cash and cash equivalents in the consolidated cash flow statement	14,829	23,123	14,829	23,123

Statement of Changes in Equity for the 2nd Quarter ended 30 September 2008

<u>Group</u>	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 July 2007	56,991	17,798	116	145	1,047	8	205	17,779	94,089	2,572	96,661
Translation differences relating to financial statements of foreign subsidiaries, associates and jointly-controlled entity	-	-	-	-	-	(148)	-	-	(148)	-	(148)
Disposal of a jointly-controlled entity	-	-	-	-	-	250	-	-	250	-	250
Net change in fair value of available-for-sale financial assets transferred to the income statement	-	-	-	(145)	-	-	-	-	(145)	-	(145)
Net (loss)/gain recognised directly in equity	-	-	-	(145)	-	102	-	-	(43)	-	(43)
Profit for the period	-	-	-	-	-	-	-	11,098	11,098	562	11,660
Total recognised income and expense for the period	-	-	-	(145)	-	102	-	11,098	11,055	562	11,617
Value of employee services received for issue of share options	-	-	-	-	518	-	-	-	518	-	518
At 30 September 2007	56,991	17,798	116	-	1,565	110	205	28,877	105,662	3,134	108,796
At 1 July 2008	62,593	17,798	116	-	2,013	(388)	125	63,902	146,159	5,326	151,485
Translation differences relating to financial statements of foreign subsidiaries and associates	-	-	-	-	-	(76)	-	-	(76)	-	(76)
Dilution of interest in a subsidiary	-	-	-	-	-	18	-	-	18	-	18
Net loss recognised directly in equity	-	-	-	-	-	(58)	-	-	(58)	-	(58)
Profit for the period	-	-	-	-	-	-	-	12,399	12,399	1,096	13,495
Total recognised income and expense for the period	-	-	-	-	-	(58)	-	12,399	12,341	1,096	13,437
Issue of shares under share option scheme	162	-	-	-	(60)	-	-	-	102	-	102
Conversion of redeemable convertible notes	872	-	-	-	-	-	(62)	-	810	-	810
Value of employee services received for issue of share options	-	-	-	-	446	-	-	-	446	-	446
Capital contribution by minority shareholder of a subsidiary	-	-	-	-	-	-	-	-	-	13	13
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	33	33
Dilution of interest in a subsidiary	-	-	-	-	-	-	-	-	-	125	125
Dividends paid in respect of financial year 2008											
- Final dividends of 0.5 cents per share (tax-exempt one-tier)	-	-	-	-	-	-	-	(5,963)	(5,963)	-	(5,963)
- Special dividends of 0.4 cents per share (tax-exempt one-tier)	-	-	-	-	-	-	-	(4,771)	(4,771)	-	(4,771)
At 30 September 2008	63,627	17,798	116	-	2,399	(446)	63	65,567	149,124	6,593	155,717

Statement of Changes in Equity for the 2nd Quarter ended 30 September 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 July 2007	56,991	17,798	1,047	205	(10,678)	65,363
Profit for the period/Total recognised income and expense for the period	-	-	-	-	4,243	4,243
Value of employee services received for issue of share options	-	-	518	-	-	518
At 30 September 2007	56,991	17,798	1,565	205	(6,435)	70,124
At 1 July 2008	62,593	17,798	2,013	125	1,351	83,880
Profit for the period/Total recognised income and expense for the period	-	-	-	-	10,738	10,738
Issue of shares under share option scheme	162	-	(60)	-	-	102
Conversion of redeemable convertible notes	872	-	-	(62)	-	810
Value of employee services received for issue of share options	-	-	446	-	-	446
Dividends paid in respect of financial year 2008						
- Final dividends of 0.5 cents per share (tax-exempt one-tier)	-	-	-	-	(5,963)	(5,963)
- Special dividends of 0.4 cents per share (tax-exempt one-tier)	-	-	-	-	(4,771)	(4,771)
At 30 September 2008	63,627	17,798	2,399	63	1,355	85,242

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 second quarter results for the period from 1 July 2008 to 30 September 2008 ("2Q09") with comparative figures for the 3 months period from 1 July 2007 to 30 September 2007 ("2Q08").

A Cost of sales

Group			
2nd Quarter ended	2nd Quarter ended	6 months ended	6 months ended
30/09/2008	30/09/2007	30/09/2008	30/09/2007
S\$'000	S\$'000	S\$'000	S\$'000

Cost of sales includes the following items:

Allowances (reversed)/made for:

- foreseeable losses on construction work-in-progress	(22)	488	232	445
- foreseeable losses on land held for sale	300	1,000	300	1,000
- inventory obsolescence	324	-	324	-
Depreciation of property, plant and equipment	4,797	4,394	9,096	8,079
Impairment losses on property, plant and equipment	427	-	427	-
Inventories written down to net realisable value	-	38	-	38
Provision for loss of inventories	-	1,268	-	1,268

B Other income

Group			
2nd Quarter ended	2nd Quarter ended	6 months ended	6 months ended
30/09/2008	30/09/2007	30/09/2008	30/09/2007
S\$'000	S\$'000	S\$'000	S\$'000

Other income includes the following items:

Compensation from a main contractor (1)	-	-	-	610
Gain on disposal of:				
- an associate (2)	-	-	116	-
- property, plant and equipment	229	66	618	658

(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)

C Other operating expenses

	Group			
	2nd Quarter ended		6 months ended	
	30/09/2008	30/09/2007	30/09/2008	30/09/2007
	S\$'000	S\$'000	S\$'000	S\$'000
Other operating expenses includes the following items:				
Amortisation of intangible assets (3)	59	778	118	1,556
Amortisation of lease prepayment	63	63	126	126
Bad debts written off	46	38	46	69
Depreciation of property, plant and equipment	262	98	620	180
Exchange (gain)/loss	(109)	(44)	(66)	47
Impairment losses on:				
- an associate	-	-	80	-
- goodwill on consolidation	500	-	500	-
- trade, progress billing & other receivables (4)	1,227	2,105	2,085	2,138
- property, plant and equipment	-	-	1,072	-
Loss on dilution of interest in a subsidiary	125	-	125	-
Loss on disposal of a jointly-controlled entity	-	239	-	239
Property, plant and equipment written off	4	148	59	297
Share option expense	446	518	1,039	785

(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.

(4) Management reviews the Group's accounts receivables position on a periodic basis. Impairment losses are made after assessing the probability of recovering the accounts receivables. These impairment losses do not relate to any major customers and there are no further outstanding balances which have not been impaired. Amounts written back are cash recovered from receivables previously impaired.

D Finance income

Included in Group's 1HY08 finance income was gain on disposal of quoted shares, available-for-sale, of S\$443,000. 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			
	2nd Quarter ended		6 months ended	
	30/09/2008	30/09/2007	30/09/2008	30/09/2007
	S\$'000	S\$'000	S\$'000	S\$'000
Current tax expense				
- current period	4,635	3,304	8,199	5,304
- under provided in prior years	-	-	949	-
	4,635	3,304	9,148	5,304
Deferred tax income				
- current period	(829)	(123)	(1,145)	(123)
- over provided in prior years	-	-	(581)	-
	(829)	(123)	(1,726)	(123)
	3,806	3,181	7,422	5,181

Notes to the Consolidated Income Statement (cont'd)

F Interested person transactions

Interested person transactions carried out during the 2nd Quarter ended 30 September 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 Heavequipment (Pte.) Ltd.	NIL	S\$2,326,000
(1) Tat Hong Plant Leasing Pte Ltd	NIL	S\$1,582,000
(1) Tat Hong United Logistics Pte Ltd	NIL	S\$124,000
(1) Tutt Bryant Group Limited	NIL	S\$2,019,000

Note:

(1) Tat Hong Heavequipment (Pte.) Ltd., Tat Hong Plant Leasing Pte Ltd, Tat Hong United Logistics Pte Ltd and Tutt Bryant Group Limited are related corporations 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 30/09/2008 S\$'000	As at 31/03/2008 S\$'000
<u>Cost</u>		
Opening balance	139,956	67,167
Additions	32,862	59,498
Assets acquired through business combinations	2,000	10,766
Disposals	(1,385)	(3,064)
Write-offs	(118)	(1,838)
Reclassification from inventories	-	3,235
Transfer from assets held for sale	-	4,331
Translation differences on consolidation	(358)	(139)
Closing balance	<u>172,957</u>	<u>139,956</u>
<u>Accumulated depreciation and impairment losses</u>		
Opening balance	37,544	23,197
Additions	11,215	16,660
Disposals	(384)	(758)
Write-offs	(59)	(1,541)
Translation differences on consolidation	(51)	(14)
Closing balance	<u>48,265</u>	<u>37,544</u>
Carrying amount	<u>124,692</u>	<u>102,412</u>

2 Inventories

	Group	
	As at 30/09/2008 S\$'000	As at 31/03/2008 S\$'000
Equipment and machinery held for sale	13,283	8,134
Spare parts	2,639	1,964
Materials on sites	12,775	9,788
	<u>28,697</u>	<u>19,886</u>
Allowance for inventory obsolescence	(579)	(255)
	<u>28,118</u>	<u>19,631</u>

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

	Group	
	As at 30/09/2008 S\$'000	As at 31/03/2008 S\$'000
Cost incurred and attributable profit	903,025	749,677
Allowance for foreseeable losses	(1,559)	(1,327)
	<u>901,466</u>	<u>748,350</u>
Progress billings	(908,258)	(750,907)
	<u>(6,792)</u>	<u>(2,557)</u>

Notes to the Balance Sheets (cont'd)

4 Aggregate amount of Group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30/09/2008	
Secured	Unsecured
S\$'000	S\$'000
51,548	-

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

Amount repayable after one year

As at 30/09/2008	
Secured	Unsecured
S\$'000	S\$'000
45,667	-

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 \$97.2 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 \$17.0 million (31 March 2008: \$15.4 million).

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

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

Notes to the Statement of Changes in Equity

1 Changes in the Company's Share Capital

As at 30 September 2008, the issued and fully paid-up share capital of the Company was S\$63,627,263 (30 June 2008: S\$62,592,853). Movement in the Company's issued and fully paid-up share capital during the 3 months ended 30 September 2008 was as follows:

	Number of shares	S\$'000
As at 1 July 2008	1,191,131,781	62,593
Issue of shares under CSC Executive Share Option Scheme 2004	1,528,000	162
Conversion of redeemable convertible notes	17,736,416	872
As at 30 September 2008	1,210,396,197	63,627

As at 30 September 2008, there were outstanding share options for conversion into 95,599,000 ordinary shares (30 June 2008: 47,637,000 ordinary shares) under the CSC Executive Share Option Scheme 2004.

As at 30 September 2008, there were outstanding Convertible Notes for conversion into 17,736,416 ordinary shares (30 June 2008: 35,472,832 ordinary shares) at a conversion price of S\$0.045 per share.

Audit

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

Accounting Policies

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 March 2008.

Earnings Per Share

(a) Basic earnings per ordinary share

	2nd Quarter ended		6 months ended	
	30/09/2008	30/09/2007	30/09/2008	30/09/2007
Based on the weighted average number of ordinary shares on issue	1.04 cents	1.00 cents	2.20 cents	1.71 cents
	2nd Quarter ended		6 months ended	
	30/09/2008	30/09/2007	30/09/2008	30/09/2007
	S\$'000	S\$'000	S\$'000	S\$'000
Basic earnings per ordinary share is based on:				
Net profit attributable to ordinary shareholders	12,399	11,098	25,952	19,138

Earnings Per Share (cont'd)

	2nd Quarter ended		6 months ended	
	30/09/2008	30/09/2007	30/09/2008	30/09/2007
	Number of shares			
Weighted average number of: Issued ordinary shares at beginning of the period	1,191,131,781	1,112,825,415	1,147,864,781	1,112,391,951
Ordinary shares issued under conversion of share options	1,019,826	-	30,033,049	-
Ordinary shares issued under conversion of convertible notes	192,787	-	96,920	6,825,684
Weighted average number of ordinary shares used to compute earnings per ordinary share	<u>1,192,344,394</u>	<u>1,112,825,415</u>	<u>1,177,994,750</u>	<u>1,119,217,635</u>

(b) Diluted earnings per ordinary share

	2nd Quarter ended		6 months ended	
	30/09/2008	30/09/2007	30/09/2008	30/09/2007
On a fully diluted basis	1.01 cents	0.92 cents	2.13 cents	1.57 cents

	2nd Quarter ended		6 months ended	
	30/09/2008	30/09/2007	30/09/2008	30/09/2007
	S\$'000	S\$'000	S\$'000	S\$'000
Diluted earnings per ordinary share is based on: Net profit attributable to ordinary shareholders	12,399	11,098	25,952	19,138
Imputed interest on convertible notes, net of tax effect	20	36	41	68
Net profit attributable to ordinary shareholders adjusted for the effect of conversion of convertible notes	<u>12,419</u>	<u>11,134</u>	<u>25,993</u>	<u>19,206</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:-

	2nd Quarter ended		6 months ended	
	30/09/2008	30/09/2007	30/09/2008	30/09/2007
	Number of shares			
Weighted average number of: Ordinary shares used in the calculation of basic earnings per ordinary share	1,192,344,394	1,112,825,415	1,177,994,750	1,119,217,635
Potential ordinary shares issuable under conversion of share options	3,146,339	38,930,377	4,144,482	39,241,731
Potential ordinary shares issuable under conversion of convertible notes	35,280,050	57,797,244	35,375,917	64,119,983
Weighted average number of ordinary issued and potential shares assuming full conversion	<u>1,230,770,783</u>	<u>1,209,553,036</u>	<u>1,217,515,149</u>	<u>1,222,579,349</u>

Net Asset Value

	<u>As at 30/09/2008</u>	<u>As at 31/03/2008</u>
Group		
Net asset value per ordinary share based on issued share capital at the end of the period reported on	12.9 cents	11.6 cents
Company		
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 September 2008 of 1,210,396,197 shares (31 March 2008: 1,147,864,781 shares).

Dividend

The Board of Directors is pleased to recommend a tax exempt one-tier ordinary dividend of 0.23 cents per share. For the previous corresponding period, the Company has utilised its Section 44A credits for a net special dividend of 0.231 cents per share.

	2Q09	2Q08
Name of dividend	Ordinary	Special
Dividend type	Cash	Cash
Dividend rate per ordinary share	0.23 cents	0.282 cents gross
Tax rate	Tax exempt	18%

Total proposed ordinary dividend payable will be S\$2,784,000 (2Q08: S\$2,603,000), which is estimated based on share capital of 1,210,396,197 ordinary shares as at 30 September 2008 (30 September 2007: 1,125,540,374 ordinary shares).

NOTICE IS HEREBY GIVEN that the Transfer Books and the Register of Members of the Company will be closed on 10 December 2008 for the preparation of the dividend warrants. Duly completed transfers received by the Share Registrars, M&C Services Private Limited, 138 Robinson Road, #17-00 The Corporate Office, Singapore 068906 up to 5.00 p.m. on 9 December 2008 (the "Books Closure Date") will be registered to determine shareholders' entitlements to the ordinary dividend. Subject as aforesaid, shareholders whose Securities Accounts with The Central Depository (Pte) Limited ("CDP") are credited with ordinary shares in the capital of the Company as at 5.00p.m. on the Books Closure Date will be entitled to the ordinary dividend.

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

The ordinary dividend will be paid on 19 December 2008 to members on the Register as at 9 December 2008.

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
6 November 2008**