



FINANCIAL STATEMENT ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2006

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Income Statement for the 6 months ended 30 September 2006

	Note	Group		
		6 months ended 30-Sep-06	6 months ended 30-Sep-05	Change
		S\$'000	S\$'000	%
Revenue		53,674	56,687	(5.3)
Cost of sales		(45,336)	(49,225)	(7.9)
Gross profit		8,338	7,462	11.7
Other operating income	A	3,466	322	976.4
Distribution expenses		(27)	(55)	(50.9)
Administrative expenses		(331)	(381)	(13.1)
Other operating expenses	B	(4,500)	(4,141)	8.7
Finance costs		(990)	(929)	6.6
Share of results of an associate		69	(256)	(127.0)
Share of results of a jointly-controlled entity		(4)	-	NM
Profit from operations before taxation		6,021	2,022	197.8
Income tax expense	D	(874)	(525)	66.5
Profit for the period		5,147	1,497	243.8
Attributable to:				
Equity holders of the Company		4,835	1,288	275.4
Minority interest		312	209	49.3
Profit for the period		5,147	1,497	

NM - Not Meaningful.

1(a)(ii) Notes to Income Statement

The Group is reporting its half year results for the period from 1 April 2006 to 30 September 2006 with comparative figures for the 6 months period from 1 April 2005 to 30 September 2005.

	Group	
	6 months ended 30/09/2006 S\$'000	6 months ended 30/09/2005 S\$'000
A Other operating income		
Gain on disposal of property, plant and equipment (see note below)	3,092	110
Exchange (loss)/gain	(43)	71
Interest income	55	12
Other income	143	68
Project management fees	79	51
Rental income	49	10
Trade payables written back	91	-
	<u>3,466</u>	<u>322</u>
Note:		
Including a gain of S\$3,070,881 on disposal of an industrial property at Tuas to Cambridge Industrial Trust. The transaction has been completed during the period.		
B Other operating expenses		
Others operating expenses include the following items:		
Allowance made for doubtful receivables	1	24
Assets written off	3	-
Bad debts written off	76	-
Depreciation and amortisation (Note C)	213	398
Impairment loss on investments available-for-sale	3	1
Share option expense	404	-
	<u>700</u>	<u>423</u>
C Depreciation and amortisation		
Charged under cost of sales:		
(a) Depreciation of plant and machinery	<u>1,100</u>	<u>1,189</u>
Charged under operating expenses:		
(b) Depreciation of office equipment, furniture and fittings, leasehold land and building	87	271
(c) Amortisation of discount on loan stock	-	1
(d) Amortisation of lease prepayment	126	126
	<u>213</u>	<u>398</u>
	<u>1,313</u>	<u>1,587</u>

D Income tax expense

	Group	
	6 months ended 30/09/2006 S\$'000	6 months ended 30/09/2005 S\$'000
Current tax expense	828	90
Deferred tax (income)/expense	(34)	692
Under/(Over) provision of tax in prior year	80	(257)
	<u>874</u>	<u>525</u>

E Interested persons transactions

Interested persons transactions carried out during the 6 months ended 30 September 2006 under Chapter 9 of the Listing Manual are as follows:-

Name of interested person	Aggregate value of all interested person transactions during the period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
(1) Tat Hong Heavyequipment (Pte.) Ltd.	NIL	S\$135,000
(2) CMC Construction Pte Ltd	NIL	S\$630,000

Note:

(1) Tat Hong Heavyequipment (Pte.) Ltd. is a subsidiary of Tat Hong Holdings Ltd, a substantial shareholder of the Company.

(2) CMC Construction Pte Ltd is a subsidiary of TH Investments Pte Ltd, a substantial shareholder of the Company.

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Balance Sheets as at 30 September 2006

DESCRIPTION	Note	Group		Company	
		30-Sep-06	31-Mar-06	30-Sep-06	31-Mar-06
		S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets					
Property, plant and equipment	1	16,897	15,432	15	-
Lease prepayment		881	1,007	-	-
Land held for development		4,643	4,643	-	-
Investment in subsidiaries		-	-	28,416	29,752
Interest in a jointly-controlled entity		498	-	-	-
Interest in an associate		2,222	2,153	1,000	1,000
Other investments		26	28	-	-
Goodwill on consolidation		314	314	-	-
Deferred tax assets		649	615	-	-
Long-term progress billings receivables		2,191	1,639	-	-
		28,321	25,831	29,431	30,752
Assets classified as held for sale		4,331	23,962	-	-
Current assets					
Inventories	2	13,957	14,292	-	-
Land held for sale		7,652	10,478	-	-
Progress billings receivables		32,857	26,794	-	-
Trade and other receivables		13,777	10,123	4,019	669
Loan to a related company		-	315	-	-
Amount due from related parties		1,285	489	14,356	22,639
Cash and bank balances		13,442	5,551	5	333
		82,970	68,042	18,380	23,641
Total assets		115,622	117,835	47,811	54,393
Equity attributable to equity holders of the Company					
Share capital		32,744	32,744	32,744	32,744
Capital reserves		17,798	17,798	17,798	17,798
Reserve on consolidation		117	117	-	-
Share option reserve		404	-	404	-
Currency translation reserves		136	117	-	-
Accumulated profit/(losses)		5,936	1,101	(10,578)	(6,705)
		57,135	51,877	40,368	43,837
Minority interests		1,726	1,729	-	-
Total equity		58,861	53,606	40,368	43,837
Non-current liabilities					
Obligations under finance leases		6,571	6,619	-	-
Loans and borrowings (secured)		2,224	10,218	868	3,380
Trade payables		-	51	-	-
		8,795	16,888	868	3,380
Current liabilities					
Bank overdraft (secured)		3,870	1,962	1,846	931
Trade and other payables		34,055	32,636	172	430
Excess of progress billings over construction work-in-progress		2,095	2,091	-	-
Amount due to related parties		869	1,854	4,221	4,775
Loan from a shareholder		-	1,107	-	-
Current portion of obligations under finance leases		3,092	2,605	-	-
Loans and borrowings (secured)		2,849	4,648	336	1,040
Provision for taxation		1,136	438	-	-
		47,966	47,341	6,575	7,176
Total liabilities		56,761	64,229	7,443	10,556
Total equity and liabilities		115,622	117,835	47,811	54,393

1(b)(i) Notes to Balance Sheet

1 Property, plant and equipment

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

	Group	
	As at 30/09/2006 S\$'000	As at 31/03/2006 S\$'000
<u>Cost</u>		
Opening balance	35,440	62,411
Additions	2,726	3,674
Disposals/Written off	(125)	(1,162)
Transfer to assets held for sale	-	(29,483)
Closing balance	<u>38,041</u>	<u>35,440</u>
<u>Accumulated depreciation and impairment losses</u>		
Opening balance	20,008	23,647
Additions	1,187	2,433
Disposals/Written off	(51)	(551)
Transfer to assets held for sale	-	(5,521)
Closing balance	<u>21,144</u>	<u>20,008</u>
Carrying amount	<u>16,897</u>	<u>15,432</u>

2. Inventories

	Group	
	As at 30/09/2006 S\$'000	As at 31/03/2006 S\$'000
Equipment and machinery	10,885	11,023
Spare parts	583	597
Raw materials	2,477	2,584
Finished goods	48	124
	<u>13,993</u>	<u>14,328</u>
Allowance for inventory obsolescence	(36)	(36)
	<u>13,957</u>	<u>14,292</u>

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

	Group	
	As at 30/09/2006 S\$'000	As at 31/03/2006 S\$'000
Cost incurred and attributable profit	212,272	208,652
Allowance for foreseeable losses	(1,007)	(1,327)
	<u>211,265</u>	<u>207,325</u>
Progress billings	(213,360)	(209,416)
Excess of progress billings over construction work-in-progress	<u>(2,095)</u>	<u>(2,091)</u>

1(b)(ii) Aggregate amount of Group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30/09/2006	
Secured	Unsecured
S\$'000	S\$'000
13,844	-

As at 31/03/2006	
Secured	Unsecured
S\$'000	S\$'000
12,995	-

Amount repayable after one year

As at 30/09/2006	
Secured	Unsecured
S\$'000	S\$'000
8,795	-

As at 31/03/2006	
Secured	Unsecured
S\$'000	S\$'000
16,837	-

Details of any collateral

Included in Group's secured borrowings repayable within one year are trust receipts amounting to S\$4,032,722 (31 March 2006: S\$3,779,768).

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:

- a) Leasehold property and the wire mesh machinery;
- b) Industrial lands held for development and for sale;
- c) Fixed and floating charge on assets of certain subsidiaries; and
- d) Fixed deposits of subsidiaries.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flows for the 6 months ended 30 September 2006

	6 months ended <u>30-Sep-06</u> S\$'000	6 months ended <u>30-Sep-05</u> S\$'000
Operating activities		
Profit from operations before taxation	6,021	2,022
Adjustments for:		
Allowance made for:		
- inventories obsolescence	-	18
- foreseeable losses	416	608
- doubtful trade and other receivables	1	24
Amortisation of:		
- discount on loan stock	-	1
- lease prepayment	126	126
Assets written off	3	-
Depreciation of property, plant and equipment	1,187	1,460
Gain on disposal of property, plant and equipment	(3,092)	(110)
Impairment loss on investments available-for-sale	3	1
Interest income	(55)	(12)
Interest expense	842	804
Net loss on remeasurement of long term progress billings receivables at fair values through profit and loss	28	4
Share option expense	404	-
Share of results of an associate	(69)	256
Share of results of a jointly-controlled entity	4	-
Operating profit before working capital changes	5,819	5,202
Changes in working capital:		
Inventories	1,049	(343)
Land held for sale	2,827	-
Trade and other receivables	(11,506)	(11,323)
Trade and other payables	414	9,583
Cash (used in)/generated from operations	(1,397)	3,119
Income taxes paid	(210)	-
Interest received	55	12
Cash flows from operating activities	(1,552)	3,131
Investing activities		
Purchase of plant and equipment	(964)	(800)
Net proceeds from disposal of property, plant and equipment	22,793	640
Acquisition of interest in a jointly-controlled entity	(502)	-
Increase in fixed deposits	(11)	(12)
Cash flows from investing activities	21,316	(172)

	6 months ended 30-Sep-06 S\$'000	6 months ended 30-Sep-05 S\$'000
Financing activities		
Interest paid	(855)	(920)
Repayment of loan from a shareholder	(1,107)	(473)
(Repayment of)/Proceeds from bank loans	(9,792)	685
Repayment of finance lease obligations	(2,037)	(873)
Proceeds from issue of shares to a minority shareholder	-	59
Changes in cash held in trustee account for redemption of loan stock	-	19
Cash flows from financing activities	(13,791)	(1,503)
Net increase in cash and cash equivalents	5,973	1,456
Cash and cash equivalents at beginning of the year	2,055	992
Cash and cash equivalents at end of the period	8,028	2,448
Comprising:		
Cash and bank balances	13,442	5,726
Bank overdrafts (secured)	(3,870)	(1,763)
	9,572	3,963
Less:		
Fixed deposits pledged as security for bank facilities	(1,544)	(1,515)
	8,028	2,448

Significant non-cash transactions:

- 1) During the financial period, the Group acquired plant and equipment with an aggregate cost of S\$2,725,070 (30 September 2005: S\$2,959,329) of which S\$1,761,000 (30 September 2005: S\$2,158,935) were acquired by means of finance lease. Cash payments of S\$964,070 (30 September 2005: S\$800,394) were made to purchase plant and equipment.
- 2) During the financial period, the dividend payable by a subsidiary to a minority shareholder of S\$315,000 has been offset against an outstanding loan owing by the minority shareholder to the subsidiary.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity for the 6 months ended 30 September 2006

Group	Share capital	Share premium	Capital reserves	Reserve on conso- lidation	Share option reserve	Currency translation reserve	Accumulated (losses)/profit	Total attributable to equity holders of the Company	Minority interest	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 April 2005	8,899	23,844	18,168	117	-	129	(3,065)	48,092	-	48,092
Exchange difference on translation of financial statements of foreign subsidiaries	-	-	-	-	-	(31)	-	(31)	-	(31)
Net profit for the period	-	-	-	-	-	-	1,288	1,288	209	1,497
Total recognised income and expenses for the period	-	-	-	-	-	(31)	1,288	1,257	209	1,466
Minority interest's share of net assets	-	-	-	-	-	-	-	-	1,144	1,144
At 30 September 2005	8,899	23,844	18,168	117	-	98	(1,777)	49,349	1,353	50,702
At 1 April 2006	32,744	-	17,798	117	-	117	1,101	51,877	1,729	53,606
Exchange difference on translation of financial statements of foreign subsidiaries	-	-	-	-	-	19	-	19	-	19
Net profit for the period	-	-	-	-	-	-	4,835	4,835	312	5,147
Total recognised income and expenses for the period	-	-	-	-	-	19	4,835	4,854	312	5,166
Value of employee services received for issue of share options	-	-	-	-	404	-	-	404	-	404
Dividends paid to minority shareholder	-	-	-	-	-	-	-	-	(315)	(315)
At 30 September 2006	32,744	-	17,798	117	404	136	5,936	57,135	1,726	58,861

<u>Company</u>	<u>Share capital</u> S\$'000	<u>Share premium</u> S\$'000	<u>Capital reserve</u> S\$'000	<u>Share option reserve</u> S\$'000	<u>Accumulated losses</u> S\$'000	<u>Total</u> S\$'000
At 1 April 2005	8,899	23,844	18,168	-	(6,418)	44,493
Net loss for the period/Total recognised income and expenses for the period	-	-	-	-	(3,394)	(3,394)
At 30 September 2005	8,899	23,844	18,168	-	(9,812)	41,099
At 1 April 2006	32,744	-	17,798	-	(6,705)	43,837
Net loss for the period/Total recognised income and expenses for the period	-	-	-	-	(3,873)	(3,873)
Value of employee services received for issue of share options	-	-	-	404	-	404
At 30 September 2006	32,744	-	17,798	404	(10,578)	40,368

Note:

Capital Reserves

	<u>Group</u> S\$'000	<u>Company</u> S\$'000
Capital Reduction Reserve	<u>17,798</u>	<u>17,798</u>

The Capital Reduction Reserve shall not be treated or used by the Company as a distributable reserve for dividend purposes save in connection with a capitalisation of reserve in accordance with Article 142 of the Articles of Association of the Company and the Companies Act, Chapter 50 of Singapore.

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous year reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Since the end of the year ended 31 March 2006, there has been no change in the issued and paid-up share capital of the Company. As at 30 September 2006, there were outstanding share options for conversion into 45 million and 5 million ordinary shares (31 March 2006: Nil) at the exercise prices of S\$0.0760 and S\$0.0768 each respectively under the CSC Executive Share Option Scheme 2004.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have been reviewed by the Company's auditors in accordance with the Singapore Statement of Auditing Practice 11: "*Review of Interim Financial Information*".

- 3. Where the figures have been audited or reviewed, the auditors report (including any qualifications or emphasis of matter).**

The Auditors' Report on the Interim Financial Information for the 6 months ended 30 September 2006 is attached.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Please refer to paragraph 5.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Accounting Policies

The financial statements for the period ended 30 September 2006 are prepared in accordance with the Singapore Financial Reporting Standards ("FRS") including related interpretations promulgated by the Council on Corporate Disclosure and Governance.

During the period under review, the Group adopted the following revised FRSs which are relevant to its operations:

FRS 21 (revised)	<i>The Effects of Changes in Foreign Exchange Rates</i>
FRS 39 (revised)	<i>Financial Instruments: Recognition and Measurement</i>
FRS 104 (revised)	<i>Insurance Contracts</i>

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within the Group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

The adoption of revised FRSs during the period under review did not give rise to any adjustments to the opening balances as at 1 April 2005 and 1 April 2006 and the results for the current or previous years or changes in comparatives.

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	6 months ended 30/09/2006	6 months ended 30/09/2005
Earnings per ordinary share of the Group after deducting provision for preference dividends:-		
(a) Based on the weighted average number of ordinary shares on issue, and	0.54 cents	0.14 cents
(b) On a fully diluted basis (detailing any adjustments made to the earnings) (see notes below)	0.54 cents	0.14 cents
Issued ordinary shares at end of the period	889,913,561	889,913,561

Notes:

The diluted earnings per share is the same as the basic earnings per share for the 6 months ended 30 September 2006 as the outstanding share options were anti-dilutive and were excluded in the calculation of diluted earnings per share.

The diluted earnings per share is the same as the basic earnings per share for the 6 months ended 30 September 2005 as the Company did not have any dilutive potential ordinary shares.

7. Net asset value (for the issuer and Group) per ordinary share based on issued share capital of the issuer at the end of the:-

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	As at 30/09/2006	As at 31/03/2006
<u>Group</u>		
Net asset value per ordinary share based on issued share capital at the end of the period/year reported on	6.6 cents	6.0 cents
<u>Company</u>		
Net asset value per ordinary share based on issued share capital at the end of the period/year reported on	4.5 cents	4.9 cents

The net asset value per share is calculated based on net asset value over the total number of ordinary shares issued as at 30 September 2006 of 889,913,561 shares (31 March 2006: 889,913,561 shares).

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (c) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.**

The Group achieved substantially better results for the 6 months ended 30 September 2006 ("1H06/07").

Net profit which improved by 243.8% to \$5.1 million (1H05/06: \$1.5 million) and other operating income which increased significantly by 976.4% to \$3.5 million (1H05/06: \$0.3 million), have included a gain of \$3.1 million on the disposal of the Group's industrial property at Tuas during the period.

The 5.3% decline in turnover to \$53.7 million (1H05/06: \$56.7 million) was due mainly to the reduction in sales of welded steel fabric and other steel products in 1H06/07 as a result of the proposed relocation of the steel fabrication operation under a joint venture in India.

Gross profit improved by 11.7% to \$8.3 million (1H05/06: \$7.5 million) as the Group achieved an overall better margin from its core business, and after streamlining of certain non-core operations.

Profit from operations before taxation improved by 197.8% to \$6.0 million (1H05/06: \$2.0 million). After taking into account the minority interest of \$0.3 million, the profit attributable to equity holders increased by 275.4% to \$4.8 million (1H05/06: \$1.3 million). The overall good results came mainly from the gain on the disposal of the industrial property and general improvement achieved in the core business of foundation engineering.

The 8.7% increase in other operating expenses to \$4.5 million (1H05/06: \$4.1 million) was due mainly to the share option expense of \$0.4 million recognized during the period for grants of options pursuant to the CSC Executive Share Option Scheme 2004.

Group's borrowings decreased by 24.1% from \$29.8 million as at 31 March 2006 to \$22.6 million as at 30 September 2006. The decrease was mainly due to the repayment made to banks after the sales of a land parcel and the industrial property during the period. Debt/Equity ratio accordingly improved from 55.7% as at 31 March 2006 to 38.5% as at 30 September 2006.

Net current assets were also higher by 69.1% at \$35.0 million as at 30 September 2006 compared to \$20.7 million at 31 March 2006. The Group's cash position improved significantly with cash and cash equivalents at the end of the period amounted to \$8.0 million.

Group equity further strengthened from \$53.6 million at 31 March 2006 to \$58.9 million at 30 September 2006. Group's net asset value per share accordingly increased from 6.0 cents to 6.6 cents.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

With the Ministry of Trade and Industries' advanced estimates of 7.1% GDP growth for Q3'06, the Singapore Economy has achieved 12 quarters of sequential expansion. The construction industry registered a positive growth of 1% in Q3'06 after a turnaround in Q2 with a very marginal growth of 0.3%.

Though there exist negative factors such as uncertainties in oil prices, escalating material prices and shortage of manpower that may affect the industry to some extent, the outlook for Singapore construction industry should brighten further in the next 12 months. With the start of many major projects including Integrated Resorts, Business Finance Centre, projects at Orchard Road area, petrochemical facilities and pharmaceutical projects, the industry is visibly gaining momentum.

CSC Group with the to-be-completed acquisition of L&M Foundation Specialists Pte Ltd will become Singapore number one specialist foundation engineering contractor and one of the largest in the region. With enhanced capabilities, the Group will perform better in its specialist foundation engineering business.

11. Dividend

(a) Current financial period reported on

Any dividend declared for the current financial period on? None

(b) Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year? None

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended during the financial period under review.

13. 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.

By Order of the Board

**See Yen Tarn
Group Chief Executive Officer
8 November 2006**