



CSC HOLDINGS LIMITED

Co. Reg. No. 199707845E

NEWS RELEASE

CSC 1H08 NET PROFIT SOARS 292% to S\$20.2M

SINGAPORE, November 9, 2007 – Leading foundation and geotechnical engineering specialist, **CSC Holdings Limited** (“CSC” or “the Group”), has posted a 292.2% increase in net profit of S\$20.2 million, or 1.71 cents per share for the six months ended 30 September 2007 (“1H08”), compared to S\$5.1 million, or 0.49 cents per share for the previous corresponding period (“1H07”). The Group’s revenue leapt 244.8% to S\$185 million, compared to S\$53.7 million in 1H07.

Commenting on the Group’s 1H08 results, Mr See Yen Tarn, Chief Executive Officer of CSC Holdings said, “The Group delivered an exceptionally strong set of financial results on the back of strong growth in the construction industry in Singapore. The increase in the Group’s gross profit margin to 21.6% from 15.4% is a strong reflection of the Group’s operational efficiency and strong ability to handle complex projects which yield better margins.”

In line with the Group’s sterling performance, the Board of Directors has recommended a special cash dividend of 0.282 Singapore cents gross per ordinary share to utilize the Group’s remaining S44A tax credit.

Operations Review

The period under review saw an overall increase in business activity across all business segments of the Group, with organic revenue growth being supplemented by strong contribution from its recently-acquired subsidiaries, L&M Foundation Services Pte Ltd, Soil Investigation Pte Ltd, and Malaysia-based G-Pile Sistem Sdn Bhd.

In this period of high demand for construction services, the market is facing a shortage of equipment and machinery. CSC, the largest foundation and geotechnical specialist in Singapore, owns a large and diversified fleet of piling and diaphragm wall machineries and soil investigation equipments. This enables the Group to better serve the clients for a wide range of projects and to enjoy economies of scale.



In addition to the integrated resorts project at Marina Bay, a far larger and sustainable driving factor was the increased number of projects won by the Group in both public and private sectors in the first half of FY08. These included industrial projects such as the Lonza Biologics Bio-Reactor Plant and the Invista Ammonia Plant, private residential projects such as the Cliveden and Rochester Park apartments, public housing construction and upgrading work, construction of schools, and infrastructure projects including the MRT Downtown Line extension.

In line with the strong demand for the Group's specialised capabilities and to preserve the overall efficiency of its operations, the Group has acquired additional plant and machinery in excess of S\$20 million in 1H08.

Balance Sheet

The Group ended the half-year with total shareholder's equity standing at S\$105.7 million, an increase of 23.9% over the previous corresponding period. Net assets per share rose 22.8% to 9.7 cents, from 7.9 cents as at 31 March 2007. At the close of 1H FY08, cash and cash equivalents stood at S\$23.1 million.

Outlook

The outlook for the construction industry is expected to hold strong in light of major projects such as the integrated resorts at Marina Bay, business financial centre at Marina Bay, MRT downtown line extensions, Sports Hub, enbloc re-development of various residential sites, Orchard Road and Beach Road rejuvenation, as well as the building of petrochemical and pharmaceutical plants at Jurong Island and Tuas. Taken together, these projects should provide a healthy demand for CSC's specialised capabilities in foundation and geotechnical services.

Todate, CSC is involved in various strategic initiatives to embark on projects in Malaysia, Vietnam and the Middle East. The Group is currently actively tendering for projects in Malaysia.

Mr See said, "Our current order book stands at about S\$304 million, and given our strong capabilities and our ability to manage resources in a very efficient manner, we remain optimistic of our performance and expect to perform better in the second half of 2008."



CSC HOLDINGS LIMITED

Co. Reg. No. 199707845E

About CSC Holdings Limited

CSC Holdings Limited is Singapore's largest foundation and geotechnical engineering specialist, and one of the region's leading solutions provider for private and public sector residential, commercial and infrastructure projects.

The Group operates principally as a specialist design and build contractor for foundation and geotechnical work, and offers a full range of design-and-build capabilities, including large diameter bored pile, diaphragm wall, driven pile, jack-in pile, micro pile, and soil investigation & instrumentation.

In addition to the Group's core business of foundation and geotechnical engineering, CSC Holdings is also engaged in steel fabrication, as well as the sale and leasing of foundation equipment.

For Media Enquiries, please contact: Boardroom Communications Pte Ltd,
Ms Alvina Tan alvina.tan@boardroomlimited.com, +65 6230 9798 (DID), +65 9787 7267 (Cell)

FINANCIAL STATEMENT ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007

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 2007

	Note	Group		Change
		6 months ended 30-Sep-07	6 months ended 30-Sep-06	
		S\$'000	S\$'000	%
Revenue		185,044	53,674	244.8
Cost of sales	A	(144,993)	(45,396)	219.4
Gross profit		40,051	8,278	383.8
Other income	B	2,101	3,454	(39.2)
Distribution expenses		(93)	(27)	244.4
Administrative expenses		(946)	(331)	185.8
Other operating expenses	C	(13,612)	(4,603)	195.7
Results from operating activities		27,501	6,771	306.2
Finance income		265	55	381.8
Finance expense		(1,693)	(870)	94.6
Net finance costs		(1,428)	(815)	75.2
Share of loss of a jointly-controlled entity		-	(4)	(100.0)
Share of (loss)/profit of associates		(704)	69	(1,120.3)
Profit before income tax		25,369	6,021	321.3
Income tax expense	D	(5,181)	(874)	492.8
Profit for the period		20,188	5,147	292.2
Attributable to:				
Equity holders of the Company		19,138	4,835	295.8
Minority interests		1,050	312	236.5
Profit for the period		20,188	5,147	

1(a)(ii) Notes to the Income Statement

The Group is reporting its half year results for the period from 1 April 2007 to 30 September 2007 ("1HY08") with comparative figures for the 6 months period from 1 April 2006 to 30 September 2006 ("1HY07"). Comparative figures in the statements for the previous financial period have been reclassified to conform to current period's presentation.

	Group	
	6 months ended 30/09/2007	6 months ended 30/09/2006
	S\$'000	S\$'000
A		
Cost of sales		
Cost of sales includes the following items:		
Depreciation of plant and machinery (1)	8,079	1,100
Impairment loss on land held for sale	1,000	-
Inventories written down to net realisation value	38	-
Provision for loss of inventories (2)	1,268	-
(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\$3,301,000.		
(2) The provision for loss of sheet piles represents a one time charge to the Income Statement in 1HY08. 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	-
Gain on disposal of		
- property, plant and equipment	658	3,092
- quoted shares, available-for-sale (4)	443	-
(3) In April 2005, a subsidiary of the Company commenced legal proceedings against a contractor. In breach of an exclusive agreement entered into between the subsidiary and this contractor in September 2004, this contractor had failed to award the subsidiary the sub-contract for piling works in relation to a housing project, resulting in a loss of profit to the subsidiary. Judgement was awarded in favour of the subsidiary by the High Court of Singapore in January 2005. This contractor's appeal to the Court of Appeal was dismissed in July 2006. During 1HY08, the High Court of Singapore has ascertained the amount of S\$610,000 and this contractor has settled this said amount.		
(4) The quoted shares were issued to the Group as a result of settlements of debts owing from customers in the previous years.		

	Group	
	6 months ended 30/09/2007 S\$'000	6 months ended 30/09/2006 S\$'000
C Other operating expenses		
Other operating expenses includes the following items:		
Allowance made/(reversed) for doubtful receivables	2,138	(59)
Amortisation of intangible asset (5)	1,556	-
Amortisation of lease prepayment	126	126
Bad debts written off	69	76
Depreciation of office equipment and furniture and fittings	180	87
Exchange loss	47	43
Impairment loss on quoted shares, available-for-sale	-	3
Loss on disposal of a jointly-controlled entity	239	-
Plant and equipment written off	297	3
Share option expense	785	404
(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 Income Statement in full over its estimated useful life of 6 months in 1HY08.		
D Income tax expense		
Current tax expense	5,304	828
Deferred tax income	(123)	(34)
Under provision of tax in prior year	-	80
	<u>5,181</u>	<u>874</u>

E Interested persons transactions

Interested persons transactions carried out during the 6 months ended 30 September 2007 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\$8,549,510
(1) Tat Hong Plant Leasing Pte Ltd	NIL	S\$103,156
(1) CMC Construction Pte Ltd	NIL	S\$2,026,780

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.

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 2007

DESCRIPTION	Note	Group		Company	
		30-Sep-07	31-Mar-07	30-Sep-07	31-Mar-07
		S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets					
Property, plant and equipment	1	88,256	43,970	61	28
Lease prepayment		630	756	-	-
Land held for development		9,433	4,643	-	-
Goodwill on consolidation		3,301	-	-	-
Investment in subsidiaries		-	-	61,869	47,874
Interest in a jointly-controlled entity		-	914	-	-
Interest in associates		1,785	2,495	1,000	1,000
Quoted shares, available-for-sale		127	375	-	-
Non-current receivables:					
- Progress billings receivables		11,166	4,203	-	-
- Trade receivables		-	1,638	-	-
Other non-current assets		51	51	-	-
		114,749	59,045	62,930	48,902
Current assets					
Inventories	2	14,829	14,592	-	-
Construction work-in-progress	3	-	184	-	-
Land held for sale		1,862	7,652	-	-
Progress billings receivables		75,466	35,135	-	-
Trade and other receivables		44,470	38,189	29,143	29,826
Cash and cash equivalents		27,332	34,211	1,753	23,827
Assets classified as held for sale	1	-	4,331	-	-
		163,959	134,294	30,896	53,653
Total assets		278,708	193,339	93,826	102,555
Equity attributable to equity holders of the Company					
Share capital		56,990	56,390	56,990	56,390
Capital reserve		17,798	17,798	17,798	17,798
Reserve on consolidation		116	117	-	-
Fair value reserve		-	274	-	-
Share option reserve		1,565	780	1,565	780
Currency translation reserve		110	(92)	-	-
Other reserve		205	252	205	252
Accumulated profit/(losses)		28,877	9,739	(6,435)	(10,860)
		105,661	85,258	70,123	64,360
Minority interests		3,133	2,083	-	-
Total equity		108,794	87,341	70,123	64,360
Non-current liabilities					
Convertible notes		2,426	2,886	2,426	2,886
Obligations under finance leases		24,303	9,448	-	16
Loans and borrowings (secured)		17,609	16,226	11,583	14,755
Deferred tax liabilities		3,535	2,794	45	55
		47,873	31,354	14,054	17,712
Current liabilities					
Trade and other payables	4	96,934	50,930	4,092	5,156
Excess of progress billings over construction work-in-progress	3	2,431	-	-	-
Current portion of obligations under finance leases		7,518	4,372	31	31
Loans and borrowings (secured)		9,025	17,388	5,526	15,296
Current tax payable		6,133	1,954	-	-
		122,041	74,644	9,649	20,483
Total liabilities		169,914	105,998	23,703	38,195
Total equity and liabilities		278,708	193,339	93,826	102,555

1(b)(i) Notes to the Balance Sheet

1 Property, plant and equipment

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

	Group	
	As at 30/09/2007 S\$'000	As at 31/03/2007 S\$'000
<u>Cost/Valuation</u>		
Opening balance	67,167	35,443
Additions	35,371	14,084
Assets acquired through business combinations	10,789	18,406
Disposals/Written off	(3,566)	(766)
Translation differences on consolidation	(37)	-
Transfer from assets held for sale	4,331	-
Transfer from inventories	3,235	-
Closing balance	117,290	67,167
<u>Accumulated depreciation and impairment losses</u>		
Opening balance	23,197	20,011
Additions	8,259	3,577
Disposals/Written off	(2,443)	(391)
Translation differences on consolidation	(1)	-
Closing balance	29,012	23,197
Carrying amount	88,278	43,970

2. Inventories

	Group	
	As at 30/09/2007 S\$'000	As at 31/03/2007 S\$'000
<u>At cost:</u>		
Equipment and machinery held for sale	8,659	9,944
Spare parts	1,911	1,117
Materials on sites	3,117	2,427
	13,687	13,488
Allowance for inventory obsolescence	(36)	(36)
	13,651	13,452
<u>At net realisable value:</u>		
Equipment and machinery held for sale	1,140	1,140
Materials on sites	38	-
	14,829	14,592

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

	Group	
	As at 30/09/2007 S\$'000	As at 31/03/2007 S\$'000
Cost incurred and attributable profit	516,335	311,954
Allowance for foreseeable losses	<u>(1,677)</u>	<u>(1,232)</u>
	514,658	310,722
Progress billings	<u>(517,089)</u>	<u>(310,538)</u>
	<u>(2,431)</u>	<u>184</u>

4. Trade and other payables

Included in Group's trade and other payables was advance payment received from a customer of S\$12,045,000 for Integrated Resort at Marina Bay.

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

Amount repayable in one year or less, or on demand

As at 30/09/2007	
Secured	Unsecured
S\$'000	S\$'000
27,727	-

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

Amount repayable after one year

As at 30/09/2007	
Secured	Unsecured
S\$'000	S\$'000
44,338	-

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

Details of any collateral

Included in Group's secured borrowings repayable within one year were bills payable and bills of exchange amounting to S\$11,184,000 and S\$Nil respectively (31 March 2007: S\$6,752,000 and S\$280,000).

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

- 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 2007

	6 months ended 30-Sep-07 S\$'000	6 months ended 30-Sep-06 S\$'000
Operating activities		
Profit for the period	20,188	5,147
Adjustments for:		
Allowances made/(reversed) for:		
- foreseeable losses	445	959
- doubtful trade, progress billings and other receivables	2,138	(59)
Amortisation of:		
- intangible asset	1,556	-
- lease prepayment	126	126
Depreciation of property, plant and equipment	8,259	1,187
Finance income	(265)	(55)
Finance costs	1,693	870
(Gain)/Loss on disposal of:		
- property, plant and equipment	(658)	(3,092)
- a jointly-controlled entity	239	-
- quoted shares, available-for-sale	(443)	-
Impairment losses on:		
- quoted shares, available-for-sale	-	3
- land held for sale	1,000	-
Inventories written off	1,268	-
Property, plant and equipment written off	297	3
Share of loss of a jointly-controlled entity	-	4
Share of loss/(profit) of associates	704	(69)
Share option expense	785	404
Income tax expense	5,181	874
	42,513	6,302
Changes in working capital:		
Inventories	(3,345)	1,049
Land held for sale	-	2,827
Trade, progress billings and other receivables	(42,151)	(11,989)
Trade and other payables	36,142	414
Cash generated from/(used in) operations	33,159	(1,397)
Income taxes paid	(1,149)	(210)
Interest received	265	55
Cash flows from operating activities	32,275	(1,552)
Investing activities		
Purchase of property, plant and equipment	(16,796)	(964)
Proceeds from disposal of property, plant and equipment	1,484	22,793
Proceeds from disposal of interest in a jointly-controlled entity	926	-
Proceeds from disposal of quoted shares, available-for-sale	543	-
Acquisition of subsidiaries, net of cash acquired (Note 1)	(11,510)	-
Acquisition of interest in a jointly-controlled entity	-	(502)
Non-trade amount due from associates	55	-
Cash flows from investing activities	(25,298)	21,327

	6 months ended <u>30-Sep-07</u> S\$'000	6 months ended <u>30-Sep-06</u> S\$'000
Financing activities		
Interest paid	(1,598)	(855)
Repayment of loan from a shareholder	-	(1,107)
Proceeds from bank loan	5,200	-
Repayment of bank loans	(15,159)	(9,792)
Repayment of finance lease obligations	(4,797)	(2,037)
Non-trade amount due to related corporations	2	-
Increase in fixed deposits pledged	-	(11)
Cash flows from financing activities	(16,352)	(13,802)
Net (decrease)/increase in cash and cash equivalents	(9,375)	5,973
Cash and cash equivalents at beginning of the period	32,498	2,055
Cash and cash equivalents at end of the period	23,123	8,028
Comprising:		
Cash and bank balances	27,332	13,442
Bank overdrafts (secured)	(2,646)	(3,870)
	24,686	9,572
Less:		
Fixed deposits pledged as security for bank facilities	(1,563)	(1,544)
	23,123	8,028

During the financial period, the Group acquired property, plant and equipment with an aggregate cost of S\$35,371,000 (30 September 2006: S\$2,725,000) of which S\$18,575,000 (30 September 2006: S\$1,761,000) were acquired by means of finance lease. Cash payments of S\$16,796,000 (30 September 2006: S\$964,000) were made to purchase property, plant and equipment.

Note 1:

During the financial period under review, the Group acquired all the shares in G-Pile Sistem Sdn. Bhd. and Soil Investigation Pte Ltd for \$11,491,000[^] and \$2,100,000 respectively.

Details of the effect of acquisition of the subsidiaries are as follows:

	Carrying amounts 2007 S\$'000	Provisional fair value adjustments 2007 # S\$'000	Recognised values 2007 # S\$'000
Intangible assets	-	1,556	1,556
Property, plant and equipment	7,841	2,925	10,766
Quoted shares, available-for-sale	83	41	124
Inventories	176	-	176
Trade and other receivables	9,833	-	9,833
Cash and cash equivalents	260	-	260
Trade and other payables	(6,664)	-	(6,664)
Bank overdrafts	(710)	-	(710)
Interest-bearing loans and borrowings	(3,488)	-	(3,488)
Current tax payable	(24)	-	(24)
Deferred tax liabilities	(55)	(822)	(877)
Net identifiable assets and liabilities	7,252	3,700	10,952
Provisional goodwill			3,301
Consideration paid *			14,253
Less: consideration satisfied by way of issuance of convertible notes [^]			(3,193)
			11,060
Less: cash and cash equivalents of subsidiaries acquired (net of bank overdrafts)			450
Net cash outflow			11,510

* Includes acquisition costs of \$662,000.

[^] The purchase consideration includes an amount of \$3,193,000 satisfied by way of issuance of redeemable convertible notes.

Management is in the process of assessing the fair values of the identifiable assets acquired, liabilities and contingent liabilities acquired, including any intangible assets relating to customer contracts not previously recognised by the acquirees, following which the goodwill/negative goodwill arising from the acquisition will be finalised.

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 2007

Group	Share capital S\$'000	Capital reserve S\$'000	Reserve on consolidation S\$'000	Fair value reserve S\$'000	Share option reserve S\$'000	Currency translation reserve S\$'000	Other reserve S\$'000	Accumulated profit S\$'000	Total attributable to equity holders of the Company		
									Minority interests S\$'000	Total equity S\$'000	
At 1 April 2006	32,744	17,798	117	-	-	118	-	1,101	51,878	1,729	53,607
Exchange differences on translation of financial statements of foreign subsidiaries	-	-	-	-	-	19	-	-	19	-	19
Net gain recognised directly in equity	-	-	-	-	-	19	-	-	19	-	19
Profit for the period	-	-	-	-	-	-	-	4,835	4,835	312	5,147
Total recognised income and expense 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	137	-	5,936	57,136	1,726	58,862
At 1 April 2007	56,390	17,798	117	274	780	(92)	252	9,739	85,258	2,083	87,341
Exchange differences on translation of financial statements of foreign subsidiaries and associates	-	-	-	-	-	202	-	-	202	-	202
Net gain recognised directly in equity	-	-	-	-	-	202	-	-	202	-	202
Profit for the period	-	-	-	-	-	-	-	19,138	19,138	1,050	20,188
Total recognised income and expense for the period	-	-	-	-	-	202	-	19,138	19,340	1,050	20,390
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	600	-	-	-	-	-	(47)	-	553	-	553
Value of employee services received for issue of share options	-	-	-	-	785	-	-	-	785	-	785
At 30 September 2007	56,990	17,798	116	-	1,565	110	205	28,877	105,661	3,133	108,794

<u>Company</u>	Share capital	Capital reserve	Share option reserve	Other reserve	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 April 2006	32,743	17,798	-	-	(6,704)	43,837
Loss for the period/Total recognised income and expense for the period	-	-	-	-	(3,873)	(3,873)
Value of employee services received for issue of share options	-	-	404	-	-	404
At 30 September 2006	32,743	17,798	404	-	(10,577)	40,368
At 1 April 2007	56,390	17,798	780	252	(10,860)	64,360
Profit for the period/Total recognised income and expense for the period	-	-	-	-	4,425	4,425
Conversion of redeemable convertible notes	600	-	-	(47)	-	553
Value of employee services received for issue of share options	-	-	785	-	-	785
At 30 September 2007	56,990	17,798	1,565	205	(6,435)	70,123

Note:

Capital reserve

Group	Company
S\$'000	S\$'000
17,798	17,798

Capital Reduction Reserve

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.

- 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 year of the immediately preceding financial year.**

On 28 June 2007, a total of 13,148,423 ordinary shares 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\$56,990,527 as at 30 September 2007. Total number of ordinary shares issued as at 30 September 2007 was 1,125,540,374 shares (31 March 2007: 1,112,391,951 shares). As at 30 September 2007, there were outstanding Convertible Notes for conversion into 57,797,244 ordinary shares (31 March 2007: 70,945,667 ordinary shares) at a conversion price of S\$0.045 per share.

As at 30 September 2007, 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.

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

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".

- 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 Statements of the Group for the 6 months ended 30 September 2007 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 2007 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 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 period or to changes in comparatives.

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

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 30/09/2007	6 months ended 30/09/2006 Restated *
Earnings per ordinary share of the Group:		
(a) Based on the weighted average number of ordinary shares on issue, and	1.71 cents	0.49 cents
(b) On a fully diluted basis (detailing any adjustments made to the earnings)	1.57 cents	0.49 cents
Basic earnings per ordinary shares		
	6 months ended 30/09/2007 S\$'000	6 months ended 30/09/2006 S\$'000
Basic earnings per ordinary share is based on:		
Net profit attributable to ordinary shareholders	19,138	4,835
	6 months ended 30/09/2007	6 months ended 30/09/2006 Restated *
Number of shares		
Weighted average number of:		
Issued ordinary shares at beginning of the period	1,112,391,951	889,913,561
Ordinary shares issued under conversion of convertible notes	6,825,684	-
Bonus element of rights issue of shares	-	97,890,492
Weighted average number of ordinary shares used to compute earnings per ordinary shares	1,119,217,635	987,804,053

Diluted earnings per ordinary shares

	6 months ended 30/09/2007 S\$'000	6 months ended 30/09/2006 S\$'000
Diluted earnings per ordinary share is based on:		
Net profit attributable to ordinary shareholders	19,138	4,835
Imputed interest on convertible notes, net of tax effect	<u>68</u>	<u>-</u>
Net profit attributable to ordinary shareholders adjusted for the effect of conversion of convertible notes	<u>19,206</u>	<u>4,835</u>

For the purpose of calculating the diluted earnings per ordinary shares, 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:-

	6 months ended 30/09/2007	6 months ended 30/09/2006
	Number of shares Restated *	
Weighted average number of:		
Ordinary shares used in the calculation of basic earnings per ordinary share	1,119,217,635	987,804,053
Potential ordinary shares issuable under conversion of share options	39,241,731	-
Potential ordinary shares issuable under conversion of convertible notes	<u>64,119,983</u>	<u>-</u>
Weighted average number of ordinary issued and potential shares assuming full conversion	<u>1,222,579,349</u>	<u>987,804,053</u>

The diluted earnings per ordinary share is the same as the basic earnings per ordinary 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 ordinary share.

* The earnings per ordinary share of the Group for the 6 months ended 30 September 2006 have been restated for the effect of the rights issue in the prior financial year.

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.**

	<u>As at 30/09/2007</u>	<u>As at 31/03/2007</u>
<u>Group</u>		
Net asset value per ordinary share based on issued share capital at the end of the period/ year reported on	9.7 cents	7.9 cents
<u>Company</u>		
Net asset value per ordinary share based on issued share capital at the end of the period/ year reported on	6.2 cents	5.8 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 2007 of 1,125,540,374 shares (31 March 2007: 1,112,391,951 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.**

Income Statement

1HY08 – for the period of six months ended 30 September 2007
1HY07 – for the period of six months ended 30 September 2006

The Group's revenue for 1HY08 leaped by 244.8% to \$185.0 million (1HY07: \$53.7 million). This was against a backdrop of strong growth in the construction industry in Singapore and from contributions arising from the acquisition of subsidiaries - L&M Foundation Specialists Pte Ltd and Soil Investigation Pte Ltd in Singapore and G-Pile Sistem Sdn Bhd in Malaysia ("newly acquired subsidiaries"), all of which were acquired after 1HY07.

Revenue from its core activities in foundation engineering works contributed \$168.9 million (1HY07: \$50.3 million) due to strong demand for the Group's services.

The Group achieved a better gross profit margin in 1HY08 of 21.6% (1HY07: 15.4%), registering an improvement of 40%. Gross profit improved by 383.8% to \$40.1 million (1HY07: \$8.3 million) and the improvement was attributable to higher margin projects from its core business.

Other income contributed \$2.1 million (1HY07: 3.4 million), a decrease of 39.2%. During the 1HY08, the Group has renewed some of its plant & machinery fleet and this contributed a gain of disposal of \$0.7 million (1HY07: \$0.07 million) to other income. The Group has also realised a gain on disposal of quoted investments of \$0.4 million (1HY07: \$Nil). The quoted investments were as a result of settlements of debts owing from customers.

The Group's other operating expenses increased by 195.7% to \$13.6 million (1HY07: \$4.6 million), some of which are incurred by the newly acquired subsidiaries (acquired after 30 September 2006) while the rest are in line with the increase in revenue. In fact, the ratio of other operating expenses to revenue actually decreased to 7.4% (1HY07: 8.6%).

Overall, the Group achieved substantially better results, registering profit after tax for 1HY08 of \$20.2 million (1HY07: \$5.1 million), an improvement of 292.2%. The earnings per ordinary share of the Group was 1.71 cents (1HY07: 0.49 cents), an increase of 249.0%, while on a fully diluted basis was 1.57 cents (1HY07: 0.49 cents), an increase of 220.4%.

Balance Sheet

In line with the strong demand for our Group's specialised capabilities in the foundation engineering works, the Group has purchased additional plant & machinery amounting to \$28.4 million as at 30 September 2007 (31 March 2007: \$14.1 million). These exclude additional assets acquired arising from the assets of newly acquired subsidiaries.

Goodwill on consolidation arose from the acquisition of G-Pile Sistem Sdn Bhd in Malaysia and Soil Investigation Pte Ltd in Singapore, which was consolidated from April 2007 into the Group.

The Group's working capital (excluding assets classified as held for sale) decreased to \$41.9 million (31 March 2007: \$50.5 million) due mainly to higher trade and other payables and tax liabilities. The Group's receivables increased but this was in line with the increase in revenue. Likewise, the Group's trade and other payables increased accordingly. Please refer to the below table, extracted from the balance sheet.

\$ million	Group		Change
	30 September 2007	31 March 2007	
<u>extract from Current assets</u>			
Progress billings receivables	75.5	35.1	115%
Trade and other receivables	44.5	38.2	16%
<u>extract from Current liabilities</u>			
Trade and other payables	96.9	50.9	90%
Current tax payable	6.1	2.0	205%

Group's borrowings as at 30 September 2007 increased to \$72.1 million (31 March 2007: \$57.4 million). The increase was mainly due to new bank borrowings obtained to finance the expansion of operations and additional capital expenditure. Included in the borrowings were convertible notes of \$2.4 million (31 March 2007: \$2.9 million). Debt/Equity ratio as at 30 September 2007 was 66.2% (31 March 2007: 65.7%).

Group's equity as at 30 September 2007 further strengthened to \$108.8 million (31 March 2007: \$87.3 million) while Group's net asset value per ordinary share increased to 9.7 cents from 7.9 cents.

Cash Flows

1HY08 – for the period of six months ended 30 September 2007

1HY07 – for the period of six months ended 30 September 2006

The Group's cash flows from operating activities in 1HY08 have increased substantially to \$33.7 million (1HY07: negative \$1.6 million). This was attributable to higher profit margins secured from higher rates due to increased demand for the Group's foundation engineering works.

Cash flow from investing activities in 1HY08 was negative \$25.3 million (1HY07: \$21.3 million). This was due to the following:

- the Group purchasing additional plant & machinery to renew its fleet amounting to \$28.4 million (1HY07: \$2.7 million) via finance lease of \$18.6 million (1HY07: \$1.7 million) and the balance in cash payments amounting to \$9.8 million (1HY07: \$1.0 million);
- purchase of a property at 2 Tanjong Penjuru Crescent amounting to \$7.1 million (1HY07: \$Nil) which was financed by a term loan of \$5.2 million and cash payment of \$1.9 million;
- the Group in 1HY07 had disposed of its property at Tuas and received a net cash proceed of \$22.8 million; and
- utilisation of cash in 1HY08 in the acquisition of subsidiaries amounting to \$11.5 million (1HY07: \$Nil).

The Group has repaid in 1HY08 bank loans of \$15.2 million (1HY07: \$9.8 million) and finance lease obligations of \$4.8 million (1HY07: \$2.0 million). The Group's overdraft balances in 1HY08 have reduced to \$2.6 million (1HY07: \$3.9 million).

The Group's cash and cash equivalents, net of bank overdrafts, as at the end of the period amounted to \$23.1 million (1HY07: \$8.0 million).

- 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.**

The Singapore economy continued to register strong growth in the third quarter of 2007 with construction activities being a key driving factor. Advance estimates from the Singapore Ministry of Trade and Industry showed a 15.5% growth for the construction industry for the third quarter of 2007.

The Singapore Building and Construction Authority has also revised its construction demand forecast for 2007 from an initial range of S\$17 billion – S\$19 billion to the current range of S\$19 billion – S\$22 billion. As at the end of September 2007, the recorded construction demand in Singapore was S\$20 billion.

The industry momentum continues to be strong in light of major projects such as 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, Orchard Road and Beach Road rejuvenation as well as the building of petrochemical and pharmaceutical plants.

While prevailing challenges such as fluctuating oil prices, escalating building material prices and shortage in some resources may affect the construction industry's overall performance, any negative impact is nevertheless expected to be limited, as the industry discovers new and more efficient ways of utilizing available resources.

The Group's acquisition of L&M Foundation Specialists Pte Ltd and Soil Investigation Pte Ltd in Singapore, and G-Pile Sistem Sdn Bhd in Malaysia has served not only to strengthen the Group's existing capabilities, but also to facilitate its regional expansion. With these acquisitions in hand CSC is well-positioned to undertake more major foundation engineering projects and increase its market share going forward.

To date, CSC is involved in various strategic initiatives to embark on projects in Malaysia, Vietnam and the Middle East. The Group is also currently actively tendering for projects in Malaysia.

In October 2007, the Group announced that CSC has entered into a non-binding memorandum of understanding to acquire a 60% stake in the Singapore operations of the Kok Tong group of companies for a consideration of not more than S\$27.6 million. The proposed acquisition is subject to certain conditions to be met as set-out in the announcement dated 22 October 2007.

The Group's current order book currently stands at approximately S\$304 million. The stated order book includes key projects in all sectors namely industrial projects such as the Lonza Biologics Bio-Reactor Plant and the Invista Ammonia Plant, the Integrated Resorts at Marina Bay and Sentosa, public housing and school construction and upgrading works, private residential property developments such as the Cliveden and Rochester Park apartments and infrastructure projects such as the MRT Downtown Line Extension.

The Board of Directors remains optimistic about the Group's performance for the second half of financial year 2008 and expects the Group to perform better than the first half of the same financial year.

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/>).

11. Dividend

(a) Current financial period reported on

Any dividend declared for the current financial period reported on? Yes

Name of dividend	Special
Dividend type	Cash
Dividend rate per ordinary share	0.282 cents gross
Tax rate	18%

The recommended net Special Dividend is 0.231 cents net per share. The Company is utilising its Section 44A credits for the Special Dividend. Based on its Section 44A credits available and on its issued share capital as at 30 September 2007, being the latest practicable date prior to the date of this announcement and assuming no increase in its issued share capital up to the books closure date on 30 November 2007, the recommended amount of the net Special Dividend of 0.231 cents per share would comprise of gross dividends of 0.282 cents per share (less tax at 18%).

(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

The Special Dividend will be paid on 13 December 2007 to members on the Register as at 30 November 2007.

(d) Books closure date

NOTICE IS HEREBY GIVEN that the Transfer Books and the Register of Members of the Company will be closed on 3 December 2007 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 30 November 2007 (the "Books Closure Date") will be registered to determine shareholders' entitlements to the Special 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 Special Dividend.

The said Special 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.

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

Not applicable.

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

**Lee Quang Loong
Company Secretary
9 November 2007**